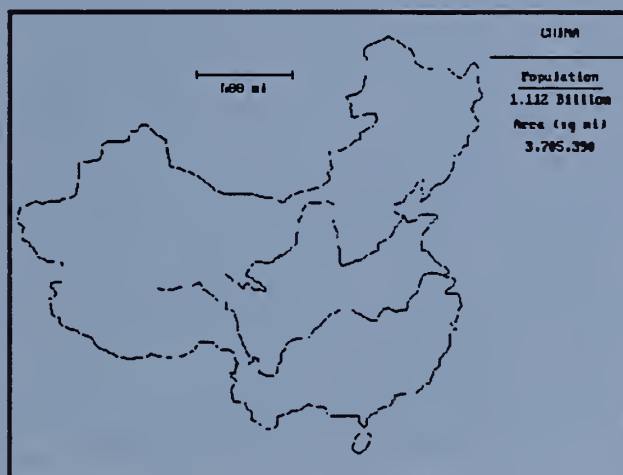


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A Guide for U.S.D.A. Scientific Exchange Teams Traveling to the People's Republic of China



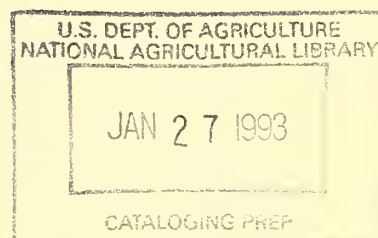
**Research and Scientific Exchange Division
Office of International Cooperation and Development
United States Department of Agriculture**

**United States
Department of
Agriculture**



National Agricultural Library

**A Guide for
U.S.D.A. Scientific Exchange Teams
Traveling to the
People's Republic of China**



**Revised Edition
1992**

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XINJIANG

QINGHAI

TIBET

GANSU

NINGXIA

SHANXI

HENAN

HUBEI

HUNAN

GUANGXI

YUNNAN

GUIZHOU

GUANGDONG

FUJIAN

ZHEJIANG

ANHUI

JIANGSU

SHANGHAI SHI

Nanjing

Shanghai

Tianjin

Beijing

LIAONING

JILIN

HEILONGJIANG

INNER MONGOLIA

A Guide for U.S.D.A. Scientific Exchange Teams Traveling to the People's Republic of China

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Part I

Background Information on China

Background Information on China

Geography

China has a land area of 9.6 million square kilometers (3.7 million square miles) and is slightly larger than the United States. It shares common boundaries with North Korea, the former Soviet Union, Mongolia, Afghanistan, Pakistan, India, Nepal, Bhutan, Burma, Laos and Vietnam. The British Territory of Hong Kong and the Portuguese Territory of Macau are off the coast of Guangdong (Canton) Province in southeast China.

China has vast areas of mountains, hills and dry basins. Only 11% of the land is under cultivation. In contrast, about 17% of land in the United States is cultivated. Land use for the rest of the country is divided into meadows and pastures (31%), forests and woodlands (14%), and other uses (45%).

China is dominated by three major rivers - the Yangtze River (Chang Jiang), the Yellow River (Huang He) and the West River (Xi Jiang). Floods from these rivers have caused major disasters in China throughout the ages. However, these rivers are the main source of irrigation water and the main transportation arteries within China.

People

According to the 1990 Census, China has a population of approximately 1.1 billion people. This is more than four times the population of the United States. About half of the population is under the age of 21.

The dominant ethnic group in China is Han, which accounts for about 94% of the population. Other "minority nationality" groups in China are Tibetans, Mongolians, Manchurians, Uyghurs, Kazaks, Hui, Yi, Miao, Zhuang, Buyi and Koreans.

The national language of China is Mandarin ("putonghua"). In addition to Mandarin, many Chinese people are fluent in one or more provincial dialects.

About 80% of the Chinese population lives in the country-side. Only 15% of China is densely populated. The major Chinese urban centers in order of population size are Shanghai, Beijing (Peking), Guangzhou (Canton), Tianjin (Tientsin), Shenyang, Dalian, Wuhan and Chongqing (Chungking).

Climate

China is located predominantly in the temperate zone, although the far northern areas are in the sub-arctic zone and the southernmost areas are within the tropics. Monsoonal climate is a major influence in the south, while the north and west have a typical continental climate. Summers are hot and humid throughout much of the country, with heavy rains in the eastern and southern regions. Winters are usually cold with little precipitation.

Previous U.S. visitors have noted that Beijing's climate is similar to that of Washington, D.C., while the climate between Shanghai and Guangzhou resembles that of the U.S. Gulf Coast. The climate in far northeastern China (such as in Heilongjiang and Jilin provinces) is similar to that of Minnesota with a long, hard winter.

It is difficult to generalize about western China because of the wide disparities in both local conditions and elevation. In the eastern and southern mountain ranges of far western China, there can be quick, major changes in temperature.

Rainfall varies from 25 inches per year in North China to nearly 80 inches in the Pearl River area near Guangzhou and Hong Kong. The summer months bring almost 70% of the annual rainfall. Much of western China, which is isolated by high mountain barriers, is semi-arid or arid.

Median Temperatures

Region (City)	Winter	Summer	Fall and Spring
Northeast (Harbin)	0 F	70 F	50 F
North China (Beijing)	23 F	78 F	55 F
Central China (Wuhan)	37 F	84 F	62 F
East China (Shanghai)	38 F	82 F	60 F
South China (Guangzhou)	57 F	83 F	73 F

China

(also see separate Taiwan entry)



Geography

Total area: 9,596,960 km²; land area: 9,326,410 km²

Comparative area: slightly larger than the US

Land boundaries: 23,213.34 km total; Afghanistan 76 km, Bhutan 470 km, Burma 2,185 km, Hong Kong 30 km, India 3,380 km, North Korea 1,416 km, Laos 423 km, Macau 0.34 km, Mongolia 4,673 km, Nepal 1,236 km, Pakistan 523 km, USSR 7,520 km, Vietnam 1,281 km

Coastline: 14,500 km

Maritime claims:

Territorial sea: 12 nm

Disputes: boundary with India; bilateral negotiations are under way to resolve four disputed sections of the boundary with the USSR (Pamir, Argun, Amur, and Khabarovsk areas); a short section of the boundary with North Korea is indefinite; Hong Kong is scheduled to become a Special Administrative Region in 1997; Portuguese territory of Macau is scheduled to become a Special Administrative Region in 1999; sporadic border clashes with Vietnam; involved in a complex dispute over the Spratly Islands with Malaysia, Philippines, Taiwan, and Vietnam; maritime boundary dispute with Vietnam in the Gulf of Tonkin; Parcel Islands occupied by China, but claimed by Vietnam and Taiwan; claims Japanese-administered Senkaku-shotō (Senkaku Islands)

Climate: extremely diverse; tropical in south to subarctic in north

Terrain: mostly mountains, high plateaus, deserts in west; plains, deltas, and hills in east

Natural resources: coal, iron ore, crude oil, mercury, tin, tungsten, antimony, manganese, molybdenum, vanadium, magnetite, aluminum, lead, zinc, uranium, world's largest hydropower potential

Land use: 10% arable land; NEGL% permanent crops; 31% meadows and pastures; 14% forest and woodland; 45% other; includes 5% irrigated

Environment: frequent typhoons (about five times per year along southern and eastern coasts), damaging floods, tsunamis, earthquakes; deforestation; soil erosion; industrial pollution; water pollution; desertification

Note: world's third-largest country (after USSR and Canada)

People

Population: 1,118,162,727 (July 1990), growth rate 1.4% (1990)

Birth rate: 22 births/1,000 population (1990)

Death rate: 7 deaths/1,000 population (1990)

Net migration rate: 0 migrants/1,000 population (1990)

Infant mortality rate: 34 deaths/1,000 live births (1990)

Life expectancy at birth: 67 years male, 69 years female (1990)

Total fertility rate: 2.3 children born/woman (1990)

Nationality: noun—Chinese (sing., pl.); adjective—Chinese

Ethnic divisions: 93.3% Han Chinese; 6.7% Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, Korean, and other nationalities

Religion: officially atheist, but traditionally pragmatic and eclectic; most important elements of religion are Confucianism, Taoism, and Buddhism; about 2-3% Muslim, 1% Christian

Language: Standard Chinese (Putonghua) or Mandarin (based on the Beijing dialect); also Yue (Cantonese), Wu (Shanghaiese), Minbei (Fuzhou), Minnan (Hokkien-Taiwanese), Xiang, Gan, Hakka dialects, and minority languages (see ethnic divisions)

Literacy: over 75%

Labor force: 513,000,000; 61.1% agriculture and forestry, 25.2% industry and commerce, 4.6% construction and mining, 4.5% social services, 4.6% other (1986 est.)

Organized labor: All-China Federation of Trade Unions (ACFTU) follows the leadership of the Chinese Communist Party; membership over 80 million or about 65% of the urban work force (1985)

Government

Long-form name: People's Republic of China; abbreviated PRC

Type: Communist Party-led state

Capital: Beijing

Administrative divisions: 23 provinces (sheng, singular and plural), 5 autonomous

regions* (zizhiqu, singular and plural), and 3 municipalities** (shi, singular and plural); Anhui, Beijing**, Fujian, Gansu, Guangdong, Guangxi*, Guizhou, Hainan, Hebei, Heilongjiang, Henan, Hubei, Hunan, Jiangsu, Jiangxi, Jilin, Liaoning, Nei Mongol*, Ningxia*, Qinghai, Shaanxi, Shandong, Shanghai**, Shanxi, Sichuan, Tianjin**, Xinjiang*, Xizang*, Yunnan, Zhejiang; note—China considers Taiwan its 23rd province

Independence: unification under the Qin (Ch'in) Dynasty 221 BC, Qing (Ch'ing or Manchu) Dynasty replaced by the Republic on 12 February 1912, People's Republic established 1 October 1949

Constitution: 4 December 1982

Legal system: a complex amalgam of custom and statute, largely criminal law; rudimentary civil code in effect since 1 January 1987; new legal codes in effect since 1 January 1980; continuing efforts are being made to improve civil, administrative, criminal, and commercial law

National holiday: National Day, 1 October (1949)

Executive branch: president, vice president, premier, three vice premiers, State Council, Central Military Commission (de facto)

Legislative branch: unicameral National People's Congress (Quanguo Renmin Daibiao Dahui)

Judicial branch: Supreme People's Court
Leaders: *Chief of State and Head of Government (de facto)*—DENG Xiaoping (since mid-1977);

Chief of State—President YANG Shangkun (since 8 April 1988); Vice President WANG Zhen (since 8 April 1988);

Head of Government—Premier LI Peng (Acting Premier since 24 November 1987, Premier since 9 April 1988); Vice Premier YAO Yilin (since 2 July 1979); Vice Premier TIAN Jiyun (since 20 June 1983); Vice Premier WU Xueqian (since 12 April 1988)

Political parties and leaders: only party—Chinese Communist Party (CCP), Jiang Zemin, general secretary of the Central Committee

Suffrage: universal at age 18

Elections: *President*—last held 8 April 1988 (next to be held March 1993); Yang Shangkun was elected by the Seventh National People's Congress;

National People's Congress—last held NA March 1988 (next to be held March 1993); results—CCP is the only party; seats—(2,970 total) CCP 2,970 (indirectly elected)

Communists: about 45,000,000 party members (1986)

Other political or pressure groups: such meaningful opposition as exists consists of

China (continued)

GNP: \$NA, per capita \$NA; real growth rate 4% (1989 est.)

Inflation rate (consumer prices): 19.5% (1989)

Unemployment rate: 3.0% in urban areas (1989)

Budget: revenues \$NA; expenditures \$NA, including capital expenditures of \$NA

Exports: \$52.5 billion (f.o.b., 1989); *commodities*—manufactured goods, agricultural products, oilseeds, grain (rice and corn), oil, minerals; *partners*—Hong Kong, US, Japan, USSR, Singapore, FRG (1989)

Imports: \$59.1 billion (c.i.f., 1989); *commodities*—grain (mostly wheat), chemical fertilizer, steel, industrial raw materials, machinery, equipment; *partners*—Hong Kong, Japan, US, FRG, USSR (1989)

External debt: \$51 billion (1989 est.)

Industrial production: growth rate 8.0% (1989)

Electricity: 110,000,000 kW capacity; 560,000 million kWh produced, 500 kWh per capita (1989)

Industries: iron, steel, coal, machine building, armaments, textiles, petroleum

Agriculture: accounts for 26% of GNP; among the world's largest producers of rice, potatoes, sorghum, peanuts, tea, millet, barley, and pork; commercial crops include cotton, other fibers, and oilseeds; produces variety of livestock products; basically self-sufficient in food; fish catch of 8 million metric tons in 1986

Aid: US commitments, including Ex-Im (FY70-87), \$220.7 million; Western (non-US) countries, ODA and OOF bilateral commitments (1970-87), \$11.1 billion

Currency: yuan (plural—yuan); 1 yuan (¥) = 10 jiao

Exchange rates: yuan (¥) per US\$1—4.7221 (January 1990), 3.7651 (1989), 3.7221 (1988), 3.7221 (1987), 3.4528 (1986), 2.9367 (1985)

Fiscal year: calendar year

Communications

Railroads: total about 54,000 km common carrier lines; 53,400 km 1.435-meter standard gauge; 600 km 1.000-meter gauge; all single track except 11,200 km double track on standard-gauge lines; 6,500 km electrified; 10,000 km industrial lines (gauges range from 0.762 to 1.067 meters)

Highways: about 980,000 km all types roads; 162,000 km paved roads, 617,200 km gravel/improved earth roads, 200,800 km unimproved natural earth roads and tracks

Inland waterways: 138,600 km; about 109,800 km navigable

Pipelines: crude, 6,500 km; refined products, 1,100 km; natural gas, 6,200 km

Ports: Dalian, Guangzhou, Huangpu,

Qingdao, Qinhuangdao, Shanghai,

Xingang, Zhanjiang, Ningbo

Merchant marine: 1,373 ships (1,000 GRT or over) totaling 13,303,685 GRT/20,092,833 DWT; includes 25 passenger, 41 short-sea passenger, 17

passenger-cargo, 7 cargo/training, 766 cargo, 10 refrigerated cargo, 65 container,

17 roll-on/roll-off cargo, 3 multifunction

barge carriers, 173 petroleum, oils, and

lubricants (POL) tanker, 9 chemical

tanker, 237 bulk, 2 vehicle carrier, 1 liquefied gas; note—China beneficially owns

an additional 175 ships (1,000 GRT or over) totaling approximately 5,380,415

DWT that operate under the registry of

Panama, UK, Hong Kong, Liberia, and

Malta

Airports: 330 total, 330 usable; 260 with permanent-surface runways; fewer than 10

with runways over 3,500 m; 90 with runways

2,440-3,659 m; 200 with runways

1,220-2,439 m

Telecommunications: domestic and international services are increasingly available

for private use; unevenly distributed internal system serves principal cities, industrial centers, and most townships;

11,000,000 telephones (December 1989);

stations—274 AM, unknown FM, 202

(2,050 relays) TV; more than 215 million

radio receivers; 75 million TVs; satellite

earth stations—4 Pacific Ocean

INTELSAT, 1 Indian Ocean

INTELSAT, and 55 domestic

Defense Forces

Branches: Chinese People's Liberation

Army (CPLA), CPLA Navy (including

Marines), CPLA Air Force

Military manpower: males 15-49,

330,353,665; 184,515,412 fit for military

service; 11,594,366 reach military age (18)

annually

Defense expenditures: \$5.28 billion (1988)

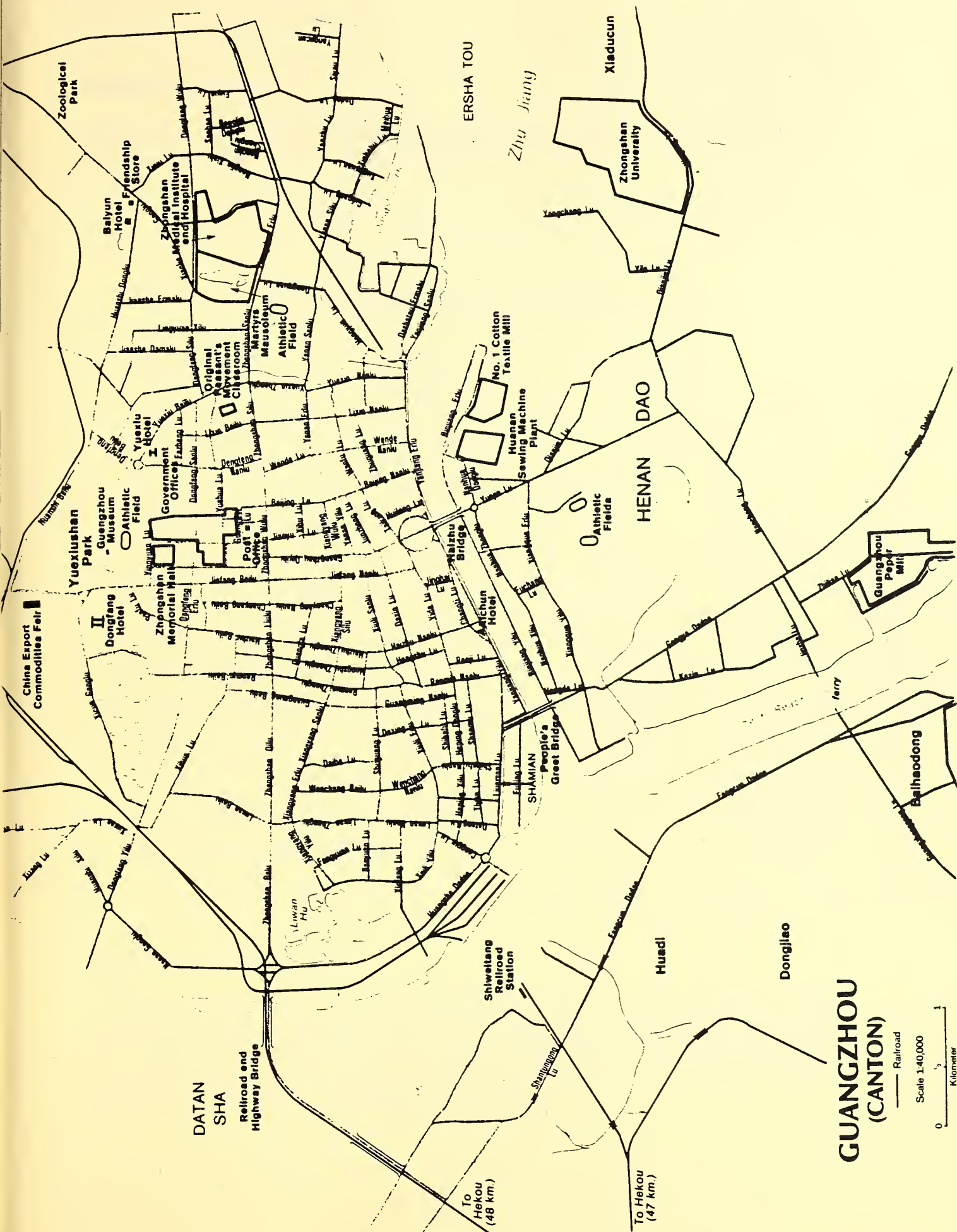
People's Republic of China: Pinyin Romanization



504453 3-80 (541790)

Province-level Names

Conventional	Characters	Pinyin	Pronunciation	Conventional	Characters	Pinyin	Pronunciation
Anhui	安徽	Anhui	ahn - way	Kweichow	贵州	Guizhou	g_way - joe
Chekiang	浙江	Zhejiang	juh - jee_ong	Liaoning	辽宁	Liaoning	lee_ow - ning
Fukien	福建	Fujian	foo - jee_en	Ningsia	宁夏	Ningxia	ning - she_ah
Heilungkiang	黑龙江	Heilongjiang	hay - loong - jee_ong	Peking	北京	Beijing	bay - jing
Honan	河南	Henan	huh - non	Shanghai	上海	Shanghai	shong - hi
Hopeh	河北	Hebei	huh - bay	Shansi	山西	Shansi	shahn - she
Hunan	湖南	Hunan	hoo - nan	Shantung	山东	Shandong	shahn - doong
Hupei	湖北	Hubei	hoo - bay	Shensi	陕西	Shaanxi	shun - she
Inner Mongolia	内蒙古	Nei Monggol	nay - mung - goo	Sinkiang	新疆	Xinjiang	shin - jee_ong
Kansu	甘肃	Gansu	gahn - soo	Szechwan	四川	Sichuan	ssu - ch_wan
Kiangsi	江西	Jiangxi	jee_ong - she	Tibet	西藏	Xizang	she - dzong
Kiangsu	江苏	Jiangsu	jee_ong - su	Tientsin	天津	Tianjin	te_en - jin
Kirin	吉林	Jilin	jee - lynn	Tsinghai	青海	Qinghai	ching - hi
Kwangsi	广西	Guangxi	g_wong - she	Yunnan	云南	Yunnan	yu_oon - nan
Kwangtung	广东	Guangdong	g_wong - doong				



Weights and Measures

China uses both its traditional units of measurement as well as the metric system. The following are the more common units of weight and measurement.

Conversion Equivalents and Definitions

China	Metric	English	
1 mu	0.0667 ha		0.1647 acre
15 mu	1.0 ha		2.4711 acre
1 jin (catty)	0.5 kg =	.0005 ton	1.1023 lbs
1 dan (100 jin)	50.0 kg =	.05 ton	110.23 lbs
1 dun (ton)	1,000.0 kg =	1.00 ton	2,204.6 lbs
1 jin/mu	7.5 kg/ha	6.93 lbs./acre	
Crops:	Lbs./bu.	1.0 bu.	1.0 ton
Wheat, potatoes, soybeans	60	0.02722 ton	36.743 bushels
Rye, corn, and sorghum	56	0.02540 ton	39.368 bushels
Barley	48	0.02177 ton	45.929 bushels
Oats	32	0.01452 ton	68.894 bushels
Cotton (480-lb bale)	NA	NA	4.593 bales
Cotton (500-lb running bale)	NA	NA	1.409 bales

Source: U.S.D.A., Economic Research Service

Electric Current

Voltage in China is 220 volts AC with 50 cycles, although some areas of Shanghai which were formerly foreign concessions still use 110 volts. The most common wall socket has two round prongs or three flat ones. It is best to leave electrical appliances at home unless they already have dual power settings or are essential to bring along. Only large hotels in major cities have adapter sets available for guest use.

Part II

Essential Procedures and Trip Preparation

Key Contact List

United States

U.S. Department of Agriculture

Research and Scientific Exchange Division

Office of International Cooperation and Development

14th and Independence Avenue, S.W., Room 3222-South

Washington, D.C. 20250-4300

Tel: (202) 690-2867 and (202) 290-1866

Fax: (202) 690-0892

Emergencies: (703) 276-0748 (evenings and weekends)

International Affairs Specialist, China: Lucia Claster

Research and Scientific Exchange Specialist: Alma Bowman

Embassy of the People's Republic of China

2300 Connecticut Avenue, N.W.

Washington, D.C. 20008

Tel: (202) 328-2517

Fax: (202) 265-7523

Chinese Consulate General, Chicago

104 South Michigan Avenue, Suite 1200

Chicago, IL 60603

Tel: (312) 346-0287

Chinese Consulate General, Houston

3417 Montrose Boulevard

Houston, TX 77006

Tel: (713) 524-4311

Chinese Consulate General, Los Angeles

502 Shatto Place, Suite 300

Los Angeles, CA 90020

Tel: (213) 380-2507

Chinese Consulate General, New York

520 12th Avenue

New York, NY 10036

Tel: (212) 279-4275

Chinese Consulate General, San Francisco

1450 Laguna Street

San Francisco, CA 94115

Tel: (415) 563-4885

People's Republic of China (PRC)

American Embassy, Beijing

Xiu Shui Bei Jie 3, Beijing, 100600, PRC

Tel: (86)(1) 532-3431, ext. 274 or (86)(1) 532-3831 (switchboard)

Fax: (86)(1) 532-2962

Agricultural Counselor: Edwin A. Bauer

Agricultural Attache: Wayne Molstad

Agricultural Trade Officer: Scott Sindelar

U.S. Consulate, Guangzhou

China Hotel Office Tower, Room 1259, Liu Hua Road, Guangzhou, PRC

Tel: (86)(20) 667-7553

Fax: (86)(20) 666-0703

Agricultural Trade Officer: Philip A. Shull

U.S. Consulate, Chengdu

Tel: (86)(028) 24-481

U.S. Consulate, Shanghai

Tel: (86)(21) 433-6880

U.S. Consulate, Shenyang

Tel: (86)(24) 290-000

Ministry of Agriculture, People's Republic of China

Department of International Cooperation

No. 11, Nong Zhan Guan Nan Li, Beijing, 100026, P.R.C.

Tel: (861) 500-3366

Fax: (861) 500-2448

Deputy Director-General: Liu Cong-meng

Project Officer: Zhuang Ren-an

Hong Kong

U.S. Consulate, Hong Kong

Agricultural Trade Office, St. John's Building, 18th Floor

33 Garden Road, Central, Hong Kong

Tel: (852) 523-9011

Fax: (852) 845-0943

Agricultural Trade Officer: Phillip Holloway

Asst. Agricultural Trade Officer: Scott Reynolds

Japan

U.S. Embassy, Tokyo

105-Akasaka, 1-Chome, Minato-ku, Tokyo 107 Japan

Tel: (813) 3224-5102

Fax: (813) 3589-0793

Agricultural Minister-Counselor: James Parker

Agricultural Attache: David Miller

Travel Preparation

Airplane reservations

Airplane reservations on trans-Pacific routes are usually booked up several months in advance, particularly from March to November. Travelers are advised to make tentative reservations as soon as possible to insure seat availability. Flights to Beijing on American air carriers require a change of flights in Tokyo at Narita International Airport and sometimes a layover. Travelers should be aware that U.S. air carriers only fly between Tokyo and Beijing a few days a week. Japanese and Chinese air carriers, however, fly between the two countries every day.

Travelers under the USDA scientific exchange program should remember that the Chinese side will not start to make visit arrangements until the team's arrival and departure dates and flights are advised. It is extremely important to relay flight information to OICD as soon as possible so the Ministry of Agriculture can initiate arrangements.

All travelers must confirm their return airline reservations at least 72 hours in advance of departure from China. Teams participating in the USDA scientific exchange program should give their return flight information to the Ministry of Agriculture escort upon arrival in China so that the escort can help in reconfirming reservations by telephone. If you will be leaving from Hong Kong and your airline does not have a representative office in China, ask your escort or hotel in Beijing to send the reconfirmation by facsimile, telex or cable and pay the necessary fee. This will assure your return reservations are confirmed.

Travelers with layover stops in foreign countries en-route to China, such as Japan or Hong Kong, must also reconfirm their continuing international reservations immediately upon arrival in that country. Reconfirmations are required in all foreign countries and for all international air tickets.

Notification of U.S. Embassy

As stated in the August 23, 1982 Memorandum 1051-2 from the U.S. Secretary of Agriculture, all travelers to China who are representing official USDA activities must advise the Agricultural Counselor in Beijing of their presence and activities in China. For visitors traveling under the USDA scientific exchange program, OICD will send an advance FASTO cable to the U.S. agricultural officers in Beijing, Guangzhou and Hong Kong as required to advise them of the team's arrival and departure dates and purpose of visit.

Travel Documentation

Foreign Travel Itinerary

Participants in the USDA scientific exchange program are responsible for advising OICD of their international air travel arrangements. The Foreign Travel Itinerary (Form AD-750) or itinerary from your travel agent should be sent to OICD when your travel dates have been confirmed, along with any further details on itinerary or arrangements.

OICD will send an advance FASTO cable to the Agricultural Counselor, U.S. Embassy, Beijing and a fax to the Chinese Ministry of Agriculture in advance of each exchange teams' arrival advising flight arrival information. **If your travel schedule should change, it is imperative that you advise OICD immediately.**

Travel Authorization

USDA employees (other than those with Soil Conservation Service) who are traveling to China under the USDA scientific exchange program should have their agency prepare the necessary Travel Authorization Form (AD-202) for them to bring on their trip. For accountability and Foreign Agricultural Service country clearance purposes, all USDA agency employees should include the following statement on their Travel Authorization Form, under Section 9, Purpose of Travel: "To participate in OICD-sponsored exchange with the People's Republic of China."

Travelers from universities or private institutions should ask OICD to prepare a "non-funded" Travel Authorization Form for the traveler's use in case of emergency or other need so they have official documentation that they are traveling as part of a U.S. Government sponsored team.

State Department Clearance

All American citizens traveling to China on U.S. government business must request clearance from the U.S. Department of State in Washington, D.C. before departure. Participants in the USDA scientific exchange program should request OICD to handle the State Department Clearance paperwork. A completed copy of the Travelers Information Record (OICD Form 23) and the Personnel Questionnaire for Proposed Official Foreign Travel (Form AD-125) should be returned to OICD at least two months before departure.

Planning Your Itinerary and Meetings

Itinerary and Meeting Arrangements

Travelers visiting China under the USDA scientific exchange program should give OICD full details on their team's proposed dates of travel, visit objectives, participants name list, and proposed visit sites at least two months in advance of their departure. These will be sent directly to the P.R.C. Ministry of Agriculture and the U.S. Embassy in Beijing to initiate program arrangements. **Travelers under the exchange program should note that the Chinese side will not start to make arrangements for your visit until they have received all team members' flight arrival and departure times.**

Travelers are strongly encouraged to notify OICD of specific topics or questions the team wants to have addressed during their visit so the host ministry can prepare for your enquiries. The more details you supply, the more likely your itinerary and meeting schedule will meet your needs. Travelers should be aware, however, that sometimes certain topics or questions are too sensitive to be discussed with foreigners and these may never be responded to, no matter how much advance notice is given.

The Chinese side will send a proposed schedule for each team's visit approximately 2 - 3 weeks in advance of the team's arrival. **Team members should review the proposed schedule immediately, and advise OICD by telephone or fax should any amendments or changes be required. Changes in the itinerary can usually be made if the Chinese side receives notification more than seven days in advance of the team's arrival.** Due to logistical and telecommunications limitations in China, schedule changes requested after your arrival are extremely difficult to make.

If you are already familiar with your Chinese counterpart(s), it can be helpful if you communicate with them by letter or fax in advance of your arrival to indicate your keen interest to visit China, offer some suggestions of sites to visit, and express your appreciation for their assistance in arranging your visit. In the past, this has helped make the visits of many U.S. exchange teams more successful. In general, your visit expenses in any given area will be paid for by the local hosting organization or provincial ministry you visit.

If, during your visit, you learn about other institutes you would like to visit, ask your Chinese escort to try to arrange these additional meetings. Escorts will generally try to accommodate your requests as long as they are logistically possible. Travelers should remember that regulations on disclosing information to foreigners are extremely strict, and that sometimes meetings cannot be arranged due to the sensitivity of the topic or the lack of official response.

Export Approval for Collections Made in China

Advance Notification Procedures

U.S. scientific exchange teams who expect to make collections in China of plant germplasm or biological control agents need to apply in advance for export approval from the Chinese government. Collections of any kind that are made by foreigners will not automatically be released by the Chinese authorities. Many have been confiscated in the past because the required approval procedures had not been followed. U.S. exchange teams who expect to make collections in China should work closely with OICD in advance of their visit to compile the appropriate documentation and apply for the necessary approvals from the Chinese government.

As a first step, U.S. exchange teams should work together to compile a complete listing of germplasm or biological control agents they expect to collect while in China. This list should be as inclusive as possible and detail the names of each and every collection your team may make. **U.S. scientists are strongly encouraged to compile exhaustive collection lists. Collections made in China which are not included on this list will almost invariably be denied export approval and will be confiscated before you leave the country.**

At least two months before departure, the team leader should send the proposed collection list to the OICD office for transmittal to the Chinese Ministry of Agriculture and other involved ministries for review and approval. A copy also will be sent to the Agricultural Office of the American Embassy in Beijing for their reference. OICD often relies on the U.S. Agricultural officers in Beijing for on-site assistance when approval problems arise.

Teams should not expect to receive a written confirmation or export approval letter from the Chinese authorities. These documents are rarely issued. Travelers should also remember that sending an advance list does not guarantee export approval. However, teams that have followed these advance notification steps in the past have been more successful in receiving export approvals for their collections than other teams that did not make these extra preparations.

It is the responsibility of each U.S. exchange team to secure all necessary authorizations and permits required by the U.S. Government to import germplasm or biological control agents collected in China to the United States.

Collection Documentation in China

The Ministry of Agriculture and other involved ministries will advise each team's escort and the local offices involved with the visit about the team's intention to make collections. Team leaders should work closely with their Chinese escort and hosting scientists to develop a positive working relationship and open channel of communication. The input of these individuals often significantly influences the decision-making process and can lead to more expedient approvals and logistical arrangements.

U.S. scientists should maintain a complete and accurate listing of all collections made in China. This documentation is very important for later reference, particularly if disputes arise or collections are confiscated. Your list should include:

- (a) A full listing of all collections made, using scientific and common names, date collected, location of collection site, and quantity collected;
- (b) The name, title, organization and address of Chinese scientists accompanying you on each field collection trip;
- (c) The name, title, organization and address of Chinese authorities who take the collection for evaluation, and the date and place where the collection is submitted.

When collections in each geographical location are finished and the lists detailed in (a) and (b) above are completed, the U.S. team leader should give the Chinese escort a copy of the list and ask that it be sent to the Department of International Cooperation and Foreign Affairs of the appropriate ministry for review and export approval. The team leader should also ask the escort when and where the laboratory evaluation and identification will be carried out. The necessary phytosanitary export formalities need to be secured in the most efficient manner possible, and advance preparation through your escort can help the process.

All collections made in China must be individually evaluated and identified by Chinese authorities before export approval can be given. Regardless of how much preparation work is done, collections still may not receive export approval if they contain restricted materials. Generally, ministry officials will do all they can, within the confines of their government regulations, to assist exchange teams. However, many collections have not been approved until after teams have left China, and some teams have had to wait up to several years for their collections to be approved and exported. In some cases, collections have never been released due to their sensitivity.

If all or part of your team's collection is confiscated for any reason, team members should request the name, title, work unit and address of the Chinese official who takes the collection, and also note the date, city and location where taken. This is very important for later follow-up by OICD and the U.S. Embassy.

Helpful Hints from Other Travelers

The words of advice below are gathered from suggestions offered by U.S. scientists who participated in the 1991 scientific exchange program with the People's Republic of China. These may be of assistance in preparing mentally for your trip and in understanding the differences between Chinese and Americans.

- It helps in preparing your schedule if you provide OICD with detailed information as early as possible in the planning process about the names and institutions you wish to visit and the technical areas of interest to the team.
- Changing your schedule once you arrive in China can be extremely difficult. Advise OICD of any proposed schedule changes before you leave the U.S.
- Bring your own data and maps because these are not always available within China, either in English or Chinese.
- Some meetings you have in China may be limited to introductions, a general briefing and then a question and answer session. Official representatives may speak in general terms. Do not feel rebuffed if you receive only general answers to specific questions.
- Try to develop relationships with counterparts before you arrive in China.
- When visiting universities and institutes, try to talk to the younger staff members and graduate students. In many instances, they can provide innovative ideas.
- Show appreciation and respect for local Chinese customs and your hosts' arrangements. Remember that many Chinese never have the chance to travel internationally.
- Teams wishing to collect germplasm or biological control agents in China should submit an extensive list of desired collections for approval before their arrival. Collections not previously approved for export will definitely be confiscated when you leave China.
- The objective of your exchange visit should be perceived to be mutually beneficial to both sides. Not only will this promote goodwill, it will result in more successful and fruitful long-term interaction and cooperation.
- Contact past team members to learn about customs, conditions and health concerns to make your exchange as pleasant and successful as possible. (OICD can provide names of past participants upon request.)

Travel Expenses

For travelers visiting China under the USDA scientific exchange program, all per diem, domestic transportation and medical expenses incurred in China are covered by the Chinese side under the receiving-side-pays agreement negotiated between the U.S. Department of Agriculture and the P.R.C. Ministry of Agriculture. The full coverage of U.S. team travel expenses in China is made possible by the reciprocal financing provided by OICD for Chinese teams visiting the U.S. under this scientific exchange agreement.

This coverage begins with the team's arrival in one of three designated cities (Beijing, Shanghai or Guangzhou), and continues until the team's departure from China from one of these cities. The per diem may not be equal to published U.S. Government per diem rates, but is sufficient to cover the traveler's expenses, and includes costs of meals, lodging, local transportation to meetings and site visits, local sightseeing programs arranged by the hosts, and domestic airfare. Expenses for laundry, telephone calls and personal expenses are not included.

Under the receiving-side-pays agreement, the sending country pays the international travel costs. Therefore, all participating scientists from USDA agencies, universities and private research institutions are responsible for covering their own international travel costs, including round-trip airfare and any per diem expenses incurred en-route to and from China. Federal Travel Regulations authorize travel voucher claims for incidental expenses at the rate of about \$10.00 per day, depending on the cities travelled to, when visiting China under a receiving-side-pays agreement. Refer to the Federal Register, Vol. 55, No. 198, (October 12, 1990) for the Standard Rates and Regulations listing on pages 41535-41536.

Visas

All visitors to the People's Republic of China, whether they are traveling for work or for pleasure, must have a valid visa to be granted entry. Your passport must be valid for at least six months after the date of your return from China. Travelers should allow at least three weeks to process their visa. The Chinese Embassy and consulates in the U.S. require at least 10 working days to handle visas, and additional time should be allowed for delivery and transfer of your passport.

Visas are approved by the Chinese Embassy in Washington, D.C. upon receipt of a formal invitation letter from the Department of International Cooperation, Ministry of Agriculture, Beijing. OICD will request a formal invitation letter for each team visiting China under the USDA scientific exchange program.

Official invitation letters are transmitted from the Ministry of Agriculture in China to the Chinese Embassy in Washington by fax approximately 4 - 6 weeks in advance of the traveler's departure date. OICD will send the traveler a copy of the invitation letter for reference if one is provided by the Chinese side. Visa applications for USDA employees traveling under the scientific exchange program (except for Soil Conservation Service) are handled by each USDA agency. There is no visa fee for individuals traveling on official passports.

OICD can provide visa application assistance to individuals traveling under the USDA scientific exchange program who are **not** USDA employees. Individuals from universities and private research institutions should request a copy of the Visa Application Form for China from the OICD office by telephone or fax. Two completed copies of this form, with the individual's tourist passport, two photos, and a money order for \$10.00 made payable to the "Embassy of the People's Republic of China" should be sent to the OICD office four weeks in advance of departure by registered or overnight mail. OICD will then send the documents by courier to the Embassy, pick up the passport with visa stamp when completed ten working days later, and return it to the traveler by overnight mail. **Money orders are the only form of payment accepted by the Embassy.** Personal checks will be not be accepted.

The Chinese Embassy will automatically issue a "single entry" visa, unless specifically requested to issue a "double entry" or "multiple entry" visa. Visas are valid for a maximum stay of three months. Travelers should note that Chinese entry visas are valid for use within three months of the visa issue date, after which they will be automatically invalidated. Therefore, be sure you do not apply for your visa more than two months in advance of your departure date.

注意：請在空白行填寫姓名。空白處不能留空。可填號碼。
Please write clearly with pen and ink or typewriter.
Use separate piece of paper if blank space is insufficient.

外国人入境过境申请表
ALIEN'S APPLICATION FORM FOR ENTRY OR TRANSIT VISAS

姓名 (标明姓氏)	姓名	宗教信仰、党派
Name in full		Religion & political party
(in block letters & underline the surname)		发照日期
国籍 (如曾变更, 请说明)		date of issue
Nationality (state change, if any)		有效期限
出生年月日、地点		valid until
Date & place of birth		
能讲		
语言		
Languages known to applicant		
护照		
种类		
type		
发照机关		
issued by		
现在职业及工作处所		
Present occupation & place of work		

現在住址
Present address C/O UNITED STATES DEPARTMENT OF AGRICULTURE telephone No. 202-245-5877

[illegible]

來中國事由和目的地
Purpose of Journey

擬在中國停留時間 _____
 Intended duration of stay in China _____
 在中國 的旅行路線和交通工具 _____
 Itinerary of travel and means of transport in China. _____

 入籍日期、地點、從何處取得何種交通工具到中國 _____
 Date and port of entry into China, where from and by what means of transport _____

 出籍日期、地點、藉何種交通工具 _____
 Date and port of exit from China, and by what means of transport _____

 欲回中國前往何國？是否已獲該國入籍許可？
 What country will you proceed to after leaving China? Whether entry permit to that country has
 been obtained? _____

 同行家屬（注明姓名、性別、年齡、國籍及與申請人的关系）
 Accompanying family members (name, sex, age, nationality and relationship to applicant) _____

填寫日期 Date of application	申請人簽名 Signature
備考 Remarks	
此處請蓋征稅機關章 To be filled by the visa officer	
年 月 日	年 月 日
簽名	簽名

' 19

(重点机关盖章)

Custom Regulations

Chinese Customs

The Customs Declaration Form is the most important document you are required to fill out before entering China, and it will be given to you on your in-bound flight or train to China. You need to itemize any items of value, such as watches, cameras, jewelry, calculators, tape recorders, and movie and video cameras, and all foreign currency you are carrying with you into China.

These items may be imported duty free for personal use, but may NOT be transferred or sold to others in China. **All personal possessions taken into China must be taken out.** Gifts and articles carried on behalf of others must be declared to the Customs inspector and are, therefore, subject to duty upon your departure from China.

Foreign visitors to China are allowed to import four bottles of liquor and three cartons of cigarettes (600 cigarettes) with their personal belongings. Special permission is required to import and use a 16mm movie camera.

China prohibits the import or export of the following items:

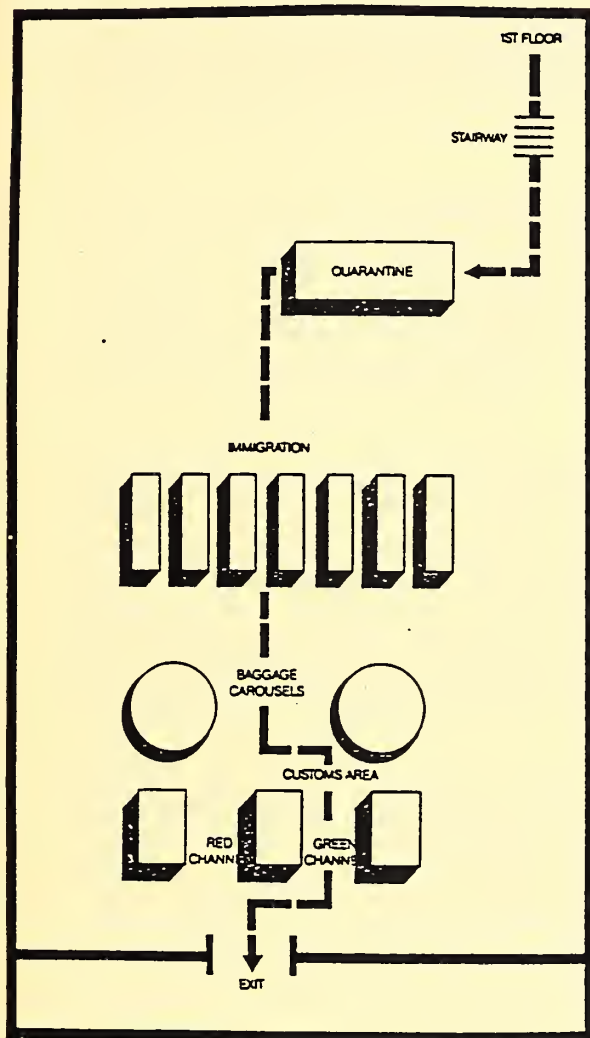
- (a) arms, ammunition, and explosives;
- (b) radio transmitter-receivers and principal parts;
- (c) Chinese currency ("renminbi");
- (d) books, films, records, tapes, etc., which are "detrimental to China's politics, economy, culture, and ethics";
- (e) poisonous drugs and narcotics of any kinds;
- (f) infected animal or plant products; and
- (g) infected foodstuffs

Videotapes may be seized by Customs officials to determine if they violate prohibitions listed in item (d) above and may be held for several months before being released.

Arrival in China

Visitors traveling to China under the USDA scientific exchange program will be met at their port of entry (airport or train station) by a representative of the Ministry of Agriculture or other hosting Chinese ministry. The representative will be waiting outside the customs area with a sign displaying the U.S. team members' names and will drive the team to the hotel.

Beijing International Airport



Arrival Information

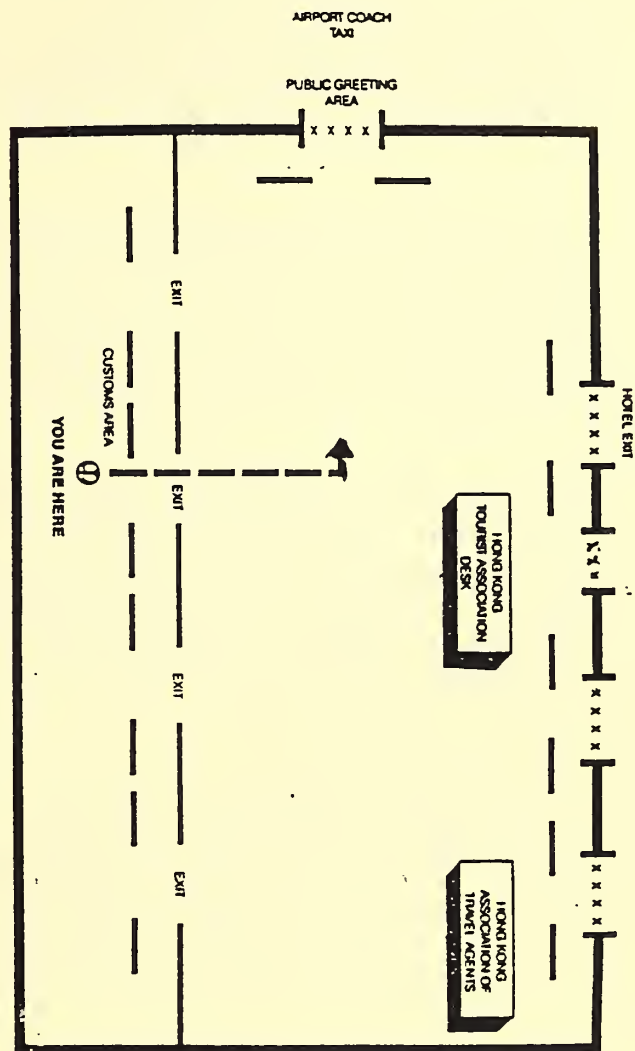
When you have cleared Customs, a red copy of the customs form will be returned to you and you should keep and return this to the customs officers when you leave China."

Special Note

- Foreign currency may be exchanged at authorized agencies only. Unused Foreign Exchange Certificate (FEC) may be reconverted at the Bank of China in the airport by showing the money exchange receipt.

Source: Cathay Pacific Airways

Hong Kong Kai Tak International Airport



Currency and Money Exchange

Foreign Exchange Certificate

The primary unit of Chinese currency is called the "yuan", or, more commonly, "renminbi", which literally means "the people's currency". Each "yuan" is equal to 10 "jiao", and each "jiao" is equal to 10 "fen", much in the same way that one dollar can be divided into ten cent and one cent units.

In 1980, the P.R.C. government introduced the Foreign Exchange Certificate (FEC) to replace the "renminbi" (RMB) for business transactions made by foreign visitors. FEC are used just as RMB are used, but can be freely converted back into foreign currencies when leaving the country. Major hotels, stores, restaurants and taxis that cater to foreigners accept only FEC for payment, and will not accept RMB. The official exchange rate as of March 1992 was US\$1.00 = FEC 5.43.

Money exchange facilities are available at airports, hotels, "friendship stores", and offices of the Bank of China. Foreign visitors are required to show their passport when changing money, and will be issued a receipt at the end of the transaction which is valid for up to six months. FEC may be taken out of China and retained for use on future trips, but cannot be converted to U.S. dollars once outside of China. **Travelers should remember to keep all their exchange receipts and show them when converting FEC back into other foreign currencies upon departure from China.**

Chinese currency is graduated in size depending on the denomination value, with different value notes printed in different colors to further distinguish their difference. Paper bills are issued in "yuan" notes, which come in denominations of 100, 50, 10, 5, and 1 yuan, and "fen" notes, which come in .50 and .10 fen denominations. Coins come in .05, .02 and .01 "fen" denominations. When speaking, Chinese tend to refer to "yuan" as "kuai" (for example, "The price is two kuai"), and to "jiao" as "mao", and this can serve to further confuse the foreign traveler to China.

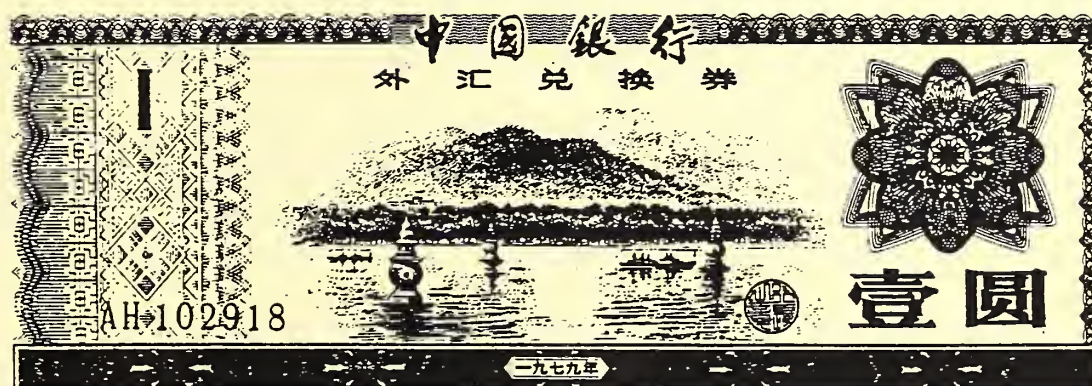
Foreign travelers may sometimes receive local RMB notes as change for purchases made at local stores, even though they used FEC to pay for their purchase. These can be distinguished by the lack of English printing on the bill. **Do not accumulate too many local RMB notes during your trip.** They are not convertible into FEC or other foreign currencies. Try to use any local RMB you do collect as payment for items purchased in smaller stores and at street markets. **Travelers are advised against engaging in black market money exchange. It is illegal, impractical and dangerous.**

No limit is set on the amount of foreign currency allowed into China, but the total value must be declared upon entry.

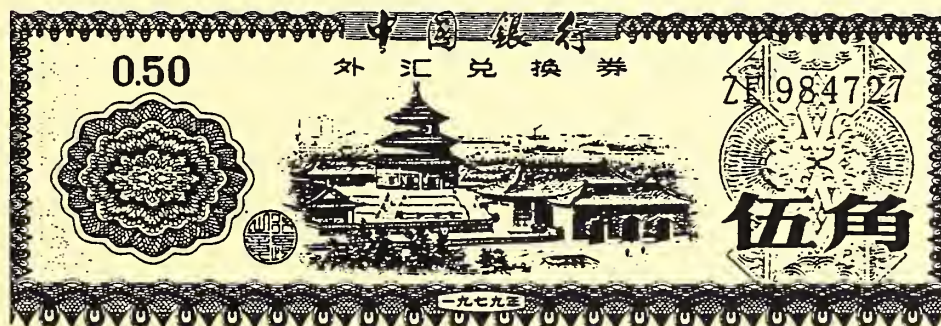
5.00 yuan



1.00 yuan



50 fen or
0.50 yuan



10 fen or
0.10 yuan



2 fen or
0.02 yuan
(coin)



Traveler's Checks and Credit Cards

Traveler's checks from leading banks and issuing agencies are negotiable in China. You get a better exchange rate for traveler's checks than cash. Travelers should consult with their bank before departing the U.S. to be sure that their brand of travelers check will be accepted in the People's Republic of China. (Do not confuse the P.R.C. with the "Republic of China" in Taiwan.)

Visitors to China under the USDA scientific exchange program are encouraged to cash only enough traveler's checks to cover their personal expenses, such as telephone calls, laundry, hotel movies and personal purchases. All lodging, meal and transportation expenses associated with the exchange visit will be paid directly by the hosting ministry.

Major credit cards can be used only at joint-venture hotels and restaurants, and at "friendship" stores in the major cities. They are not widely accepted in China. Credit cards currently accepted are American Express, Visa, Master Card and Diners Club. Contact your credit card company to determine what kind of arrangement is available in China.

The banks in China charge a 4% commission for the use of credit cards. American Express announced in September 1983 that it had "signed an agreement" with the Bank of China that allows card members to charge over-the-counter merchandise at certain stores in Beijing and Guangzhou, and to cash personal checks in approximately 30 Chinese cities, without the 4% surcharge imposed on holders of other credit cards. Check with your credit card issuer to see if they have signed similar agreements in China.

Bank Hours

Bank of China branch offices are open Monday through Friday from 9:30 a.m. - noon and 2:00 p.m. - 5:00 p.m., and Saturday from 9:00 a.m. - noon. Money exchange counters in hotels and "friendship" stores are generally open for longer hours.

Health and Other Precautions

Health

Information on health precautions for travelers can be obtained from the U.S. Public Health Service, local health departments, private doctors and travel clinics. For China, immunizations recommended, but not required by the Chinese or U.S. governments, are for diphtheria, tetanus and polio. A gammaglobulin shot may offer protection against viral hepatitis A. U.S. Government employees can get these at their health office. Travelers born after 1956 are also recommended to obtain a measles vaccination.

Malaria occurs in China, particularly in rural areas and in southern China. Depending on the season and your destination, you may need to take antimalarial drugs, use insect repellent, and take other measures to minimize contact with mosquitoes. In addition, immunization for Japanese B encephalitis (JE) is recommended for travelers who expect to stay in China during the summer months for longer than 3 weeks. At present, the JE vaccine is not available in the U.S., but may be obtained in Japan and Hong Kong.

Few Chinese have Rh-negative blood, so Chinese blood banks do not regularly store this blood type. Travelers with Rh-negative blood should consult their physicians before departure. China discourages travel by persons who are ill, pregnant or of advanced age.

Common maladies afflicting travelers are respiratory problems, head colds, sore throats and upset stomachs. Diarrhea or constipation may also be a problem. Appropriate remedies should be taken along. Few cities in China have Western-style pharmacies stocked with drugs common in the U.S. Travelers should carry adequate quantities of necessary medications, prescription medicines or other remedies in their hand luggage to cover them during the full length of their trip.

Foreign visitors who become ill in China are provided with the best medical care available in the country. Chinese show great concern for their guests' health. Visitors requiring hospitalization will have a choice between Western or Chinese medicine. Hospital accommodations are spartan and the medical technology is not always the most up-to-date, but Chinese medical personnel are qualified and competent.

Sanitary conditions for travelers are generally very good in China. Although tap water is not potable, hotel rooms are supplied with vacuum flasks of boiled water. Check with your hotel to see if the ice has been made with purified or boiled water. Water purification tablets might prove useful for visitors traveling in remote areas of the country.

出境登记卡

DEPARTURE CARD B 0868850

入境登记卡 ARRIVAL CARD

B 0868850

请用正楷填写
Please type or print

姓 Family Name		男 <input type="checkbox"/> Male
名 Given Name		女 <input type="checkbox"/> Female
国籍 Nationality	出生日期 Date of Birth	
证件号码 Passport No.		
偕行人 Accompanied by		
日期和航班号 Date and Flight No.	目的地 destination	
签名 Signature		

姓 Family Name		名 Given Name	
国籍 Nationality	出生日期 Date of Birth	Day 日	Month 月 Year 年
证件号码 Passport No.	职业 Occupation	男 <input type="checkbox"/>	女 <input type="checkbox"/>
中国签证号码 Chinese Visa No.	签发地点 Place of issue		
偕行人 Accompanied by			
在华地址 Address in China (Hotel)		接待单位 Host Organization	
日期和航班号 Date and Flight No.		签名 Signature	

检查员填 Official Use Only 证件种类 :

检查员填 Official Use Only 外公礼定职学访旅过乘团免 证件种类 :
W U Y D Z X F L G C T M

旅客健康申明卡
PASSENGER'S HEALTH DECLARATION

姓名 _____ 性别 _____ 年龄 _____
Name in full _____ Sex _____ Age _____

国籍 _____ 职业 _____
Nationality _____ Occupation _____

入境日期 _____ 交通工具名称 _____
Date of entry _____ Flight (Train) No. _____

1. 这次旅行来自何地及出发日期 _____
Date & originating place of departure _____

2. 现如有以下症状, 请在该症状前划 "✓".
Please mark ✓ before the symptom if any now.

发烧 ☐ 皮疹 ☐ 咳嗽 ☐ 咽喉痛 ☐ 淋巴腺肿 ☐
Fever ☐ Rash ☐ Cough ☐ Sore throat ☐ Lymph-gland swelling
呕吐 ☐ 腹泻 ☐ 黄疸 ☐ 出血 ☐
Vomiting ☐ Diarrhoea ☐ Jaundice ☐ Bleeding

3. 现在是否患有: 精神病、麻风病、艾滋病 (包括艾滋病病毒携带者)、疟疾、开放性肺结核和其他疾病?
Any illness now: Psychosis, Leprosy, AIDS (Inc. AIDS virus carrier), Venereal diseases, Active pulmonary tuberculosis and other diseases?

4. 如随身携带下列物品, 请在下列项目内划 "✓".
Please mark "✓" in the items of the following articles, if you bring any of them with yourself.

生物制品 _____ 血制品 _____ 旧衣服 _____
Biologicals _____ Blood products _____ Second-hand clothes _____

5. 旅游团名称 _____
Name of travel group _____

6. 在华住址和接待单位 _____
Contact address and host organization in China _____

SAMPLE

Other Precautions

Previous U.S. visitors to China report they have been cordially received by their Chinese hosts, and you can expect a similar cordial reception. However, you need to bear in mind that you are a representative of the U.S. government. Please remember the following points while traveling in China:

1. Carry only essential forms of identification. Travelers should photocopy the data page of their passports and keep it separate from their passport. If your passport is lost, stolen or in the possession of foreign government officials, you will still have the necessary information available. Do the same with the address list of the American Embassy and U.S. consulates in China and other important contact numbers listed in the "Key Contacts" section above. Be sure to give a copy of this list to your staff and family as well.
2. If your visit to China will be longer than one month, travelers should contact the American Embassy, Foreign Agricultural Service Office in Beijing or the U.S. Consulates in Shanghai, Shenyang, Chengdu or Guangzhou, either by telephone or in person, to provide their local address and expected length of stay in case emergency contact is required.
3. Travelers are advised against engaging in private currency transactions with individual citizens in foreign countries. Foreign tourists who engage in improper activities with Chinese nationals may be detained by the Public Security Bureau for questioning.
4. It is best not to invite Chinese citizens to your hotel room. This can cause complications for both the foreign traveler and the Chinese individual. Arrange to meet with Chinese counterparts in the hotel lobby or coffee shop. Remember when making requests or discussing certain topics that Chinese citizens who have dealings with foreigners must report their activities to their work unit or the Public Security Bureau.
5. Travelers are advised against discussing local or international politics while in China. It is considered disrespectful to make negative remarks about any political party or government official from any country, including your own.

Interpreters and Technical Vocabulary Lists

For travelers visiting China under the USDA scientific exchange program, an interpreter will be provided by the hosting Chinese ministry to accompany the team throughout their visit in China. The escort will help with all travel arrangements, interpret for meetings, and handle payment of the team's hotel, food and transportation expenses.

Most interpreters have degrees in agriculture-related fields or English as a foreign language, and will be familiar with the general subject area of the team's visit. While they are proficient in English, however, most interpreters will not be specialists in your specific field of study. They usually will require help with the technical terminology you will use.

Exchange teams are strongly encouraged to work together to compile a list of key scientific terms and technical vocabulary which can be sent to China in advance of their arrival.

It is a very good idea to work closely with your team's interpreter as soon as you arrive in China to review the terminology the team members will be using. This will reduce possible misunderstandings and lessen potential embarrassment that may arise during later meetings. It will also contribute to making your discussions more productive.

Team participants who want to send biographical data to the Chinese scientists they will meet should forward this to the OICD office for transmission to China in advance of their arrival.

Trip Report

All travelers visiting China under the USDA scientific exchange program should submit a team trip report to OICD within one month of the team's return to the U.S. The trip report is an important document which OICD uses to evaluate programs and make future funding decisions.

Please take the time to describe in detail the accomplishments of your visit, the possible applications of newly-acquired information, and any benefits resulting to U.S. agriculture as a whole. Include recommendations for follow-up action the team feels would be beneficial or necessary. If the team has extra slides from their visit, the inclusion of several slides with the trip report is always appreciated.

Departure from China

Customs Regulations and Airport Tax

Travelers should have their Departure Card filled out and ready for presentation to the immigration officials when they arrive at the airport or train station for departure. After clearing immigration, you will then need to present the Customs Declaration Form you completed when you arrived to the Chinese Customs officials. Be sure that all items listed on the Customs Declaration Form are still in your possession and that they are within easy reach, in case a Customs official requests to see them as proof that you have not sold or given them away while in China.

The export of the following items is prohibited:

- (a) valuable cultural relics and rare books relating to Chinese revolution, history, culture and art;
- (b) rare animals and rare plants and their seeds; and
- (c) precious metals and diamonds and articles made from them.

Antiques approved for export are marked with a red wax seal which is either on the product when purchased or is affixed by Chinese Customs after the sale.

All travelers departing from foreign airports, except those with diplomatic passports, must pay the international airport tax. Airport tax fees are approximately \$10.00 for China, \$15.00 for Japan and \$20.00 for Hong Kong. This tax must be paid in cash.

U.S. Customs

All articles acquired abroad and in your possession at the time of your return must be declared. Importation of the following items is prohibited:

- (a) Chinese firearms and unlicensed Chinese shotguns;
- (b) dressed or undressed fur and skin of ermine, fox, kolinsky, marten, muskrat and weasel;
- (c) skin and fur of other endangered species, such as the Siberian tiger; and
- (d) Chinese products that fail to meet U.S. safety, labeling, food and drug standards.

You may want to obtain and read the pamphlet, **"Know Before You Go: Customs Hints for Returning U.S. Residents"**, from the U.S. Customs Service for further information. Other pamphlets that may be of interest include **"Your Trip Abroad"** and **"A Safe Trip Abroad"** which can be ordered for \$1.00 each from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20420.

Part III

Traveling in China

Traveling in China

General Travel Arrangements

The Ministry of Agriculture (MOA) is the coordinating agency for the U.S.-P.R.C. Scientific and Technical Exchange program in agriculture. MOA will purchase domestic air tickets, reserve hotel accommodations and arrange for all ground transportation within China for participants in the USDA scientific exchange program. MOA will also coordinate arrangements with other ministries involved in the team's visit, including the Ministry of Forestry, Ministry of Water Resource and Ministry of Commerce.

What to Pack?

Travel light! One traveler offered the following suggestion: "Bring twice as much money as you reasonably need for gifts and half as many clothes." Overnight laundry service is available at reasonable rates at most hotels in China.

You should pack as little as possible for two main reasons. First, you will want to leave room in your luggage for items bought and publications received during your visit. Second, luggage allowance while traveling within Asia is limited to 20 kilograms (44 pounds). Except for about 5 kilograms of carry-on baggage, you will be charged for excess baggage.

Bring prescription medicines, prescription glasses, contact lens solution, mosquito repellent, vitamins, aspirin, stomach medicine, and other cold remedies as required. Women should bring along sanitary napkins or tampons as these are often unavailable in China or else are very expensive. Travelers should also consider bringing sunglasses, sun screen and a hat as summers can be very hot and the sun very strong.

Western brands of toothpaste, shampoo, shaving cream, razor blades and other similar toiletry articles are available only in the gift shops in major hotels in China, and are sold at inflated prices. Bring supplies with you if possible. If you need to bring along an electric razor or blow dryer, bring a round-pronged adapter suitable for both 110 and 220 volts.

You may want to bring some English reading materials and a small transistor or shortwave radio. English language newspapers and magazines, such as Newsweek, Time, The International Herald Tribune, and The China Daily, are available in hotel gift shops in major cities.

Clothing

Fashion in China is changing. Blue and grey cotton suits are no longer strictly the norm. However, you may find a casual and conservative wardrobe is the best suited and least conspicuous for your trip through China.

For summer travel, bring light cotton clothes. For men, shorts can be acceptable on sightseeing outings and field trips, but most Chinese will still wear long pants and short-sleeved shirts. Men should bring one suit for banquets or more formal meetings, but generally will find that slacks will be adequate for most meetings. For women, light-weight dresses, skirts or slacks are most appropriate. Women in China do not wear shorts outside their homes.

Customary business and casual attire is appropriate. Comfortable walking shoes are essential. Take along a dressier pair of shoes for more formal functions. Although neckties are becoming more popular among Chinese men, they are not always worn. In summer, Chinese officials may even wear open-neck cotton shirts to formal banquets. You may want to take along your own slippers or sandals to use in the hotel room, since the ones provided by the hotel are often too small for American feet.

For winter travel in the north where temperatures often fall below freezing, you should bring woolen clothes, a heavy top coat, extra sweaters, at least two pairs of thermal underwear and high boots. Some buildings are centrally heated, but many are not. Buildings are often damp and chilly, and can sometimes feel colder than outside. It is a good idea to layer your clothing so you can adjust to the varying temperatures inside and outside.

Accommodations

The Chinese ministry host for each scientific exchange team is responsible for arranging all hotel accommodations while in China. Teams traveling to China under the USDA scientific exchange program will usually stay at the Jianguo Hotel in Beijing and the Dongfang Hotel in Guangzhou (Canton), although this is subject to change. Hotel names for other cities will not be advised until your arrival in that city.

Hotels ("fan-dian") vary tremendously. However, most of the hotels serving foreign visitors have similar amenities. The rooms are clean and functional, containing twins beds or double beds, a desk (equipped with stationery and pen), an easy chair, a bureau, a clothes closet and a private bathroom. Overhead lighting is usually dim. Hotels have telephones, radios and televisions in the rooms, except in more remote regions. Television broadcasting is limited to certain hours. In small hotels, TV sets may be found only in central locations, such as the lobby, for general use of all guests.

The better hotels in China are centrally heated, but the smaller ones may have only portable electric heaters. If hotels are not air-conditioned, electric fans are provided. In remote regions in south China, mosquito net coverings for beds may be provided.

In most hotel rooms there is a flask of boiled cold water, a thermos of hot water, some tea bags and tea cups. Towels and bed linen in joint-venture hotels are changed daily, but in smaller hotels in more remote areas, this may not be the case.

Laundry service in most Chinese hotels is generally good, but you should allow two full days for your clothes to be returned. Sometimes laundry is left in your room for pick-up. Otherwise, there will be a service desk on each floor where you leave and pick-up laundry. At smaller hotels in outlying areas, the service desk is also where you can book overseas telephone calls and leave your room keys while you are out.

Most hotels have shops in the lobby where refreshments and sundries can be purchased, as well as money exchange counters and postal service counters. Hours of operation are usually posted.

Transistor radios will pick-up local broadcasts. Short-wave broadcasts from Voice of America (VOA) and British Broadcasting Corporation (BBC) can be received on several frequencies in most locations in China. Broadcasts from Armed Forces Radio and Television Service (AFRTS) in Japan and the Philippines can be picked up sometimes in China.

Meals, Liquor and Tobacco

All meals for USDA exchange program participants will be provided by the host ministry and will generally be a Western breakfast followed by Chinese-style lunch and dinner which the team will share. Food will be more than adequate, and often more that visitors can finish. The host ministry will pay for all meals and tips.

Meals

Hotels have Western-style breakfasts with fruit, juice, eggs, toast, and coffee. Some hotels also have excellent yogurt, call "sour milk," on their menus. Chinese breakfasts are available in hotels or shops nearby. In north China, this usually consists of a bland rice porridge served with pickled turnips, slivered pork, salted peanuts and other condiments. Scallion pancakes ("cong-you-bing"), long salty Chinese "donuts" ("you-tiao"), soybean soup ("dou-jiang"), and noodles in a soup broth also are part of the northern breakfast. Southern breakfasts include clusters of sweet tea cakes (similar to cookies) and meat dumplings, called "dian-xin" in Mandarin or "dim-sum" in Cantonese.

All lunches and dinners will be served 'family style' for the group to eat together and will include 4 - 5 Chinese dishes, a big bowl of soup, rice and beverages. Visitors who cannot or do not want to use chopsticks should bring their own forks and knives, as these often are not available in hotels outside the major cities.

If you wish to eat food other than the meals served, most Western, joint-venture hotels have coffee shops where Western food is available all day and into the evening. Travelers might also want to bring their own snacks, such as candy, granola bars or instant hot chocolate, as such items are very difficult to purchase in China.

During your visit, you will be hosted to at least one Chinese banquet. A formal Chinese dinner has nine to twelve courses, and you should be sure to pace yourself during such feasts. Banquets are usually accompanied with wine, beer or liquor (sometimes the famous potent "Maotai"), as well as green tea, boiled water, mineral water or carbonated beverages.

Most meals will be eaten at your hotel or at a nearby restaurant and will be served from a pre-arranged menu, so visitors will not be asked to make food selections. As guests, you should take the first move to leave the dining areas after the meal and formalities are finished.

Chinese hosts often will take the liberty to serve you food to be gracious hosts. You may protest mildly, but it is considered impolite to refuse a gift or gesture like this. If you do not want to eat the food served you, or if you are full, just leave the food uneaten on the plate. Visitors should resist from following the "clean plate club" philosophy in China. If you keep eating, your hosts will continue to serve you, presuming that your eager eating means that you haven't had enough to eat yet. They may even feel compelled to order more food.

A meal is a good time for relaxed conversation. Enjoy the time. The dinner may take two hours. This is a good time for you and your host to get to know each other. You may find that your Chinese counterparts will generally be a bit more candid over a meal, particularly if alcohol is being served, as this venue is considered less formal than a meeting. However, do not expect to use what is said during dinner to later prove a point or force an agreement. Instead, view the insights gained as background information that will add to your understanding of the situation at hand and what possibilities exist.

It is customary for the Chinese host to toast all the guests present, usually at the beginning of the first course and again after the third or fourth course. Typically the hosts will offer a toast to "the friendship of the Chinese and American people, the continued cooperation between the two countries in the area of agricultural scientific exchange, and the health and safe journey of all friends present".

The leader of the visiting U.S. team is expected to reciprocate the toast, usually one or two courses following the host's toasts. Toasts can be made to "the long history of cooperation between the people of the United States and China in the field of agricultural exchange, the growing relationship between the two countries, and the opportunity to continue to exchange information and knowledge in the future".

At your own discretion, you may decide that a return banquet is a gracious way of expressing appreciation. Ask the Embassy staff how such an event can be arranged. Travelers should remember that they will need to use personal funds to host such a function.

Liquor, Coffee and Tobacco

Western spirits, wine and cigarettes are available in most tourist cities throughout China. China also produces a variety of spirits, rice and grape wines, and excellent beer. Most visitors enjoy Chinese coffee. However, if you are particular about your coffee or need to have coffee after the hotel dining room has closed, you should bring along your own instant coffee.

Visitors may wish to bring their own cigarettes to China. Most Americans find Chinese cigarettes too strong for their tastes. Smoking is very common in China and non-smoking areas are rarely found in public places. Most men in China smoke, but women rarely smoke in public. It is considered impolite to complain about someone smoking near you.

Transportation and Communications

Air Travel

The Civil Aviation Administration of China (CAAC) is responsible for all civilian flights in China. CAAC flies principally Boeing 707's, British Tridents and Soviet Ilyushins. Air travel to remote areas is usually by smaller aircraft.

Air reservations are very difficult to secure in China due to the high demand and limited flights. Reservations must be made at least one month in advance. Despite the computerization of the CAAC air reservation system, purchasing or even changing a ticket can often require a long wait in a slow line for a Chinese ministry representative. Bookings cannot be changed over the telephone as in other parts of the world. Travelers should consider these restrictions and limitations once their domestic air tickets have been reserved and purchased.

Flights are always crowded. Your hosts will indicate whether you have reserved seating on the flight. Because of extremely close quarters on some of the smaller aircraft, travelers with long legs should choose aisle seats. Chinese flight attendants will pass out refreshments during the flight. On longer flights, a box lunch may be served on board. If you are traveling to a very remote region, you may participate in an "in-flight meal" in the airport dining room of an intermediate city.

Chinese domestic flights do not have "non-smoking" sections. They also do not have strict regulations on the placement of carry-on luggage. Flights on smaller aircraft often can be delayed by adverse weather conditions and limited guidance equipment. Photography is not permitted on the plane, either in flight or on the ground. Pictures usually may be taken in and around the terminal.

Train Travel

If you travel by train, you will probably be traveling in the first class, European-style sleeping compartments of Chinese trains. Four people to one compartment is the rule. Meals are served in the dining car. Tea and hot water are brought to the compartment by service personnel. Most compartments have loudspeakers which can be adjusted for volume. The trains stop frequently and it may be difficult to sleep on board. There are no bathing facilities, but there are washrooms at either end of the car.

Cars and Buses

Within cities, you will be traveling in cars, minibuses or vans. These vehicles usually are air-conditioned, but can be quite uncomfortable in the summertime if they are not.

Visitors may want to try taking a city bus during their free time if they are accompanied by someone who speaks Chinese. However, public buses are extremely crowded and the experience is not recommended for those who are faint of heart. Fares are paid upon boarding to the ticket taker and are based on the distance to be covered.

Taxis and Rental Cars

Taxis are for hire at all joint-venture hotels and may be requested from the transportation desk in the hotel lobby. For a pre-arranged fixed rate, drivers will wait while a visitor shops or goes sightseeing. This can often be a very economical and convenient way for an individual or small group to make extra visits during their free time. Remember that it is often difficult to flag down a taxi on the street except in China's largest cities. **Travelers should have the driver wait if their destination is not near a large hotel or does not have a taxi stand nearby.**

Travelers are strongly advised against renting cars in China because of difference in driving styles and regulations and the sheer number of motorists, bicyclists and pedestrians on Chinese streets. Travelers visiting China under the scientific exchange program will have all local transportation to meetings, site visits, meals and other functions arranged for by their hosting Chinese ministry.

Communications

Letters, Facsimile and Cables

Airmail between the United States and China normally takes from four to ten days. It is unlikely that letters will catch up with travelers who are visiting several areas of China. If you are expecting to receive mail in China, be sure that your letters are addressed to the People's Republic of China, and that the name of your host ministry is listed.

Stamps for out-going mail from China can be bought at the post office, or, more conveniently, at the postal counter, gift shop or front desk of your hotel. Postal clerks can advise you of the current postal rates for air mail letters, postcards and aerograms. Stamps and aerograms are sometimes not self-adhesive, but glue is usually available at the counters where you purchase them.

Facsimile, or fax messages, to the United States can be given to clerks at most hotels during working hours or, in larger cities, throughout the day and night. Many hotels have Business Centers which provide fax services, in addition to other secretarial and photocopying services for a fee. Enquire at the front desk of your hotel.

Cables can be sent in a similar manner through the hotel. Check the cable rates with the hotel clerk or cable office personnel. In Beijing, Shanghai and Guangzhou, international cable credit cards are accepted in payment for cables.

Telephone

Local telephone service is available at each hotel. However, in remote regions, telephone service may not be available in every guest room. Local intracity calls are free. However, making local telephone calls within China requires patience. It can often take making several tries before the line will connect. If your Chinese escort or counterparts tell you that they are having problems getting through to a certain number, this is most probably the case.

Long distance and international calls may be made from most hotels and central facilities. Check with the front desk staff for the current international telephone rates and service charges for each call. It is usually cheaper to call collect, but rates are high for all calls placed from China. There is a 13-hour time difference between Beijing and Washington, D.C. during standard time, and a 12-hour difference during daylight saving time (eg. midnight in Washington, D.C., is noon the following day in Beijing). All of China is in one time zone.

Shopping

Most major Chinese cities frequented by foreigners have "friendship stores" which sell export items to foreigners. The sales personnel in Friendship stores generally speak English. The Friendship stores in Beijing, Guangzhou and Shanghai provide wrapping, packaging and shipping services, but these can be expensive.

Prices of goods are about the same in the Friendship stores as in other department and specialty stores in China. Items such as jewelry, expensive handicrafts and silk may be available only in the Friendship stores in certain cities.

The most popular purchases are handicrafts, such as wood carvings, cloisonne and scrolls, Chinese jackets and caps for men, silk jackets for women, embroidered clothes for children, paintings, embroideries on silk, and bottles of "Maotai" liquor. If you see something you like, buy it when you see it. You might not find it later in your journey.

Antiques are available in Friendship stores and specialty shops. Antiques approved for export are marked with a red wax seal, either found on the product or affixed by Chinese Customs after the sale.

Products in Friendship stores are sold at fixed prices. If you try to bargain in a Friendship or department store, it will only create embarrassment for you and the sales person. However, if you are buying something in a "free market" or from a street vendor where no prices are displayed, give bargaining a try. If the merchant seems willing to negotiate, suggest a lower price than you expect to pay and then bargain up to a compromise price.

Sightseeing

The Chinese ministry responsible for hosting the visit of each USDA scientific exchange team will arrange a few sightseeing activities to some of the more famous sights in each city or region. If the mission of your visit precludes any type of sightseeing, be sure you inform OICD before your departure.

It is to your advantage to buy at least one good travel guide to China and read it before you get on the airplane. One of the best publication on the market is China: A Travel Survival Kit, by Lonely Planet Publications of Australia and is available in most large book stores. Lonely Planet publishes travel guides to countries all over the world. The China guidebook provides a comprehensive overview of China's history, culture, economy and agricultural sector, and gives detailed information on hotels, restaurants, shops and interesting sights to visit in each city, useful information on what to pack and what not to bring, and a candid description of some of the challenges of traveling in China. Refer to the section, "Suggested Readings" below, for titles of other publications that might help you prepare for your trip.

Taking Pictures

You are usually free to photograph almost anywhere, although photography is prohibited from aircraft and bridges, and in harbors and near borders. Many Chinese may not wish to be photographed at all, so you should ask their permission before photographing individuals. Use discretion when taking pictures and ask your escort when in doubt.

You should pack an ample supply of film, flashbulbs and batteries since prices for these items can be very high in China. Both Kodak and Fuji 35mm film are sold in China, but can only be purchased in hotel gift shops. There is no problem taking film out of China for processing in the United States, but you may wish to carry your film in a lead-lined, film bag to prevent any damage from X-ray machines in airports en-route to and from China.

Business Cards, Gift Giving and Other Chinese Customs

Business Cards

Business cards are ritually exchanged when first meeting a Chinese official, institute representative or scientist. This custom enables both sides to remember names and provides a convenient record of people you meet on your trip.

Participants are encouraged to bring an ample supply of business cards to China for this purpose. Some teams find they need 200 cards or more for a three-week visit. Your meetings will often include the presence of many research assistants, associates, and other support personnel from the Chinese side and each person will want one of your cards. This can quickly deplete the minimal store of business cards. Travelers should note that Chinese tend to present their cards using both hands as a polite gesture and do not "deal" them like playing cards.

If you are having business cards printed, be sure to include your full telephone and facsimile numbers with area code on your card. Many Chinese prefer to send correspondence by fax in the interest of saving time. It is not necessary to include a Chinese translation of your name and address on your business card. Most research staff, especially younger ones, will be able to read and write English even if their spoken English is rudimentary.

Gift Giving

Visitors to China are often confused about the subject of gift-giving in China. It is not common practice to give large gifts in China, and the U.S. Government does not encourage representatives to give gifts to foreign hosts. Items such as pamphlets, information packets and publications about your agency or university are easy to carry and much appreciated by the scientists you will meet. They also do not imply any obligation for the Chinese side to give you gifts in return.

Small items bearing the name of your institution, city or state make excellent tokens of appreciation for scientists or institute directors that host meetings for your team. Items such as lapel pins, bookmarks, pens, bumper stickers, pendants or other small trinkets are possible gift ideas. It is not necessary to give gifts to all people present at each meeting. Those who are leading representatives or have asked questions are sufficient.

You may want to give small gifts to individuals who have made special arrangements to set up site visits on your team's behalf. Items which are uniquely American, such as handicrafts or which bear American motifs, or books with photographs of your city or state make very good gifts for these individuals.

For escorts or interpreters, books or magazines which are not of a political or potentially sensitive content make an easy and very much desired gift for those who are English speakers. Remember your gifts should not be so generous as to imply an obligation for the Chinese recipient to return a gift to you.

Other Chinese Customs

There are several other concepts in Chinese culture that foreign visitors should be familiar with because they can impact the success of the visit. These are related to Chinese modes of communication and the concept of relationships or networks.

Communicating and Exchanging Information

People in America and Asia often differ in the way they communicate and seek to convey and obtain information. This is particularly true in China where political constraints can limit the openness of discussions. American scientists who are accustomed to a frank interchange of ideas during a meeting may be disappointed by the Chinese preference for more generalized, subject briefings followed by brief question and answer sessions. Briefings in China usually focus on details about the facility size, staff numbers, organizational structure and topics of research, and will not necessarily include specific details on research findings. Printed materials and informational handouts will be minimal. The highest-ranking Chinese representatives from the institute will speak for the group, with technical specialists responding only when called upon to answer specific questions.

American scientists should try to gain as much information as possible from these general briefings, reading between the lines, if necessary, to determine what information might or might not be available. Questions should be asked from different angles if necessary. If your enquiries are not answered during a meeting, try to ask them again in a more informal venue, such as during a lab tour, in a small group meeting or over a meal, when discussions are more personal and less restricted.

People in China are generally uneasy about providing information in a public setting, especially if the information might later be considered sensitive or of a restricted nature. Foreign scientists should interpret questions not answered after a couple of attempts, or follow-up not provided as promised, even after several reminders, to mean that no response can or will be forthcoming. In China, it is considered better to leave a question unanswered, rather than offend someone by saying "no" directly, and 'lose face' by saying you don't know or can't answer the question.

Contacts and Networks

In China, the concept of "guan-xi", or a network of interpersonal contacts, is stressed as the best means to facilitate and achieve work goals. The orientation is not just on completing immediate program tasks and requirements, but on developing long-lasting, cooperative relationships that can provide extended benefits to both sides over the long run.

American scientists interested in pursuing cooperative work in China should keep this long-term orientation in mind. Those scientists who have been most successful in the past in achieving project goals have made a serious commitment in time, energy and funding to developing projects in China, and have often devoted considerable effort to nurturing contacts that could facilitate project goals. Getting results in China usually requires more time than that available during a short-term exchange visit.

Chinese scientists rarely travel overseas, and, therefore, can sometimes feel that the foreign scientist is the only one who benefits from a scientific exchange visit. American scientists should try to make their Chinese counterparts feel that they will also benefit from the exchange of information, knowledge and expertise.

To 'break the ice', consider providing each Chinese institute you visit with information about your research unit or publications on your subject area that might be of interest to them. Try to determine what other information they need and send additional materials when you return home. This gesture of genuine help may encourage the Chinese side to provide you with more information, and may lead to future exchanges or cooperation which can be of benefit to both sides.

If you identify institutes or scientists that are pursuing work in your research area and think you might be interested in pursuing future collaborative work with them, discuss areas of mutual interest while you are still in China with a view to preparing a joint project proposal. Encourage them to submit a proposal for a return exchange visit through the U.S.-P.R.C. Scientific and Technical Exchange program, where a visit of up to four weeks would be coordinated and funded by OICD. Applications from Chinese teams should be submitted to the Department of International Cooperation, Ministry of Agriculture in Beijing. (Refer to the section, "Key Contact List", above for this address.)

You also may want to explore opportunities for collaborative research funding from your agency or other organization such as the National Science Foundation. OICD accepts applications for collaborative research funding from U.S. scientists who are involved in international, joint research projects. Copies of the collaborative research guidelines are available upon request from the OICD office.

Chinese Phrases

In 1979, the Chinese government adopted the "pinyin" system for transliteration. Under this system, Chinese words (or characters) are romanized for oral and written communication. Each sound in Chinese has at least four tones, so a word spoken without the proper accent can have more than one meaning.

The following are some common Chinese phrases which may be useful during your visit. Ask a Chinese speaker to read them for you and adjust the pronunciation notations to best meet your needs.

English	Pinyin	Pronunciation
Hello	wei	way (for telephone only)
How are you?	ni-hao-ma?	nee-how-ma?
I'm fine, and you?	wo-hao, ni-na?	wo-how, nee-na?
Good morning	ni-zao	nee-zow
Good night	wan-an	waan-an
Goodbye	zai-jian	zai-gin
Please	qing	ching
Thank you	xie-xie	shie-shie
No, thank you	bu xie	bu shie
Excuse me	dui-bu-qi	dway-bu-chi
Let's go!	zou-ba!	zo-ba!
Yes	shi	shure
No	bu-shi	bu-shure
Want	yao	yow
Don't want	bu-yao	bu-yow
As you please	sui-bian	sway-bien
Good	hao	how
Bad	bu-hao	bu-how
Bathroom	ce-suo	suh-swor
Hotel	lu-guan	lu-gwan
Restaurant	fan-dian	faan-dien
Eat	chi-fan	chur-faan
Delicious	hao-chi	how-chur
Cheers (for drinks)	gan-bei	gaan-bay
America	mei-guo	may-gwo
American people	mei-guo-ren	may-gwo-ren
China	zhong-guo	jong-gwo
Chinese people	zhong-guo-ren	jong-gwo-ren
Relationship (work)	guan-xi	gwaan-shee



I. Business Traveler on Tour

Karen Green

My colleagues were incredulous, my family puzzled, when I announced I was going on vacation in China. After all, I travel there often enough on business. Worse yet, I was planning a package tour which, to the seasoned traveler, may not seem the ideal vacation. Why choose to be shepherded around China in a nine-cities-in-eleven-days-type tour when you could be basking on the beaches of Hawaii in half the flight time?

Despite all the arguments against it, I spent three weeks last June on a package tour of China—and loved it. It was another China; convenient, comfortable, clean. Even better, it was unceasingly friendly. Let's face it, business always has an element of the adversarial, and if your patience with China is wearing thin, nothing restores it like a pleasure trip.

For the frequent business traveler, a China trip need not be expensive. My airfare was covered by accumulated free flight coupons. And I took advantage of one of the land-only packages many tour operators offer. The price of 22 days in China and Hong Kong came to roughly \$100 per person per day, all-inclusive.

The package tour has gotten a bum rap, at least in China. The alternative—a "do it yourself" vacation—has some pluses but it's not easy (see p. 7). My prior attempts to travel independently in China resulted in seemingly endless hours in line at city branches of China International Travel Service (CITS) and the Civil Aviation Administration of China (CAAC), faced with the anxiety of not knowing how I would get to the next city or where I would stay when I got there. On this trip, I wanted to show my best friend as much of China as possible in three weeks. I quickly realized that given the busy itinerary we envisioned, going it alone would

mean sitting in a costly taxi following a tour bus to the same destinations.

Hotel hassles minimized

When traveling to China for business, I can usually get a hotel reservation, although frequently not at centrally located, first-class hotels. While the situation for the individual traveler is improving as new and better hotels open, being part of a group has always carried more clout. Chinese hotels have been known to bump individual and business travelers when they overbook so as not to inconvenience a group and anger the tour wholesalers who bring numerous groups into their facilities.

On the group tour we were always housed in centrally located, good quality hotels. In fact, throughout the tour we had little trouble with accommodations, except at the Suzhou Hotel. There the group was given musty, old, and rather ill-furnished rooms—in short, the rooms one gets everywhere in China outside the major tourist cities. But it wasn't the rooms that upset the group as much as the scam the hotel perpetrated. Once we had carried our bags to the third floor (no elevator) and gone to lunch (in the modern new wing), the hotel staff informed our guide that, in fact, there were plenty of rooms available in the new wing and that, by paying an additional \$10 per room, we could upgrade. We all did so, but not happily.

The only thefts also took place in Suzhou. Some \$60 in cash disappeared from my hotel room, while in another room a bag of small trinkets

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such as pens and candy were stolen. Although nothing was taken in Xi'an, we were made to understand that the Tangcheng Hotel staff had quite a reputation for stealing. Clearly, China is no longer a place you can leave valuables strewn about your room without a second thought.

Flexible schedules, helpful guides

For me, package tours of China conjured up an image of a group leader charging up the Great Wall, flag in one hand, bullhorn in the other. Not so. Although package tours are carefully prearranged, they are by no means as restrictive as commonly imagined. Indeed, the only time we were required to travel with the group was between cities. Tour members sometimes chose to pursue specific interests on their own or simply to relax. All that was asked of us was to inform the guide in advance.

I had previously traveled to eight of the 10 cities on our itinerary on business and was looking forward to revisiting the sites from a new perspective. Much to my surprise, I was taken to places that I had not seen before in each city we toured.

On the way to each site, the tour director or local CITS guide provided an introduction to what we were about to see. Upon arrival we were turned loose to explore on our own. We had the best of both worlds—the hassle-free arrangements of a group tour and the freedom to pursue individual interests.

For those who preferred more of a structured tour at each site, guides were available to provide it. Indeed, the guide-to-tourist ratio on our trip was one to seven; three guides for a group of 21. The tour company furnishes a guide, and the Chinese provide both a national guide to accompany the group throughout China and a local guide in each city. The national guide is generally superflu-

venture off on your own, often into territory not even discussed in the most recent China guidebooks.

The pros and cons of independent travel

Seeing China on your own lets you enjoy the landscape at your own pace, go exactly where you want, choose your mode of transportation, and have more direct contact with friendly local residents. Individual travel can also cost significantly less than package tours.

Be forewarned, however, that the benefits do not always outweigh the frustrations. The language barrier, long ticket lines, overcrowded buses, spartan accommodations, and overly curious crowds can wear down even the most seasoned traveler.

Potentially even more frustrating is the conflicting information given by different Chinese organizations. Public Security Bureaus in different cities sometimes disagree on whether a certain area is open or closed to foreign travelers. And CITS has been known to tell independent travelers that, for example, public transportation is not available to their intended destination, and that they must take a more expensive taxi or tourist bus. A trip to the bus depot may sometimes prove otherwise, however.

Individual travel in China to places off the tour circuit is only for the adventurous. Individual travelers are stared at and touched (especially if they have light hair), while their possessions (such as cameras and Walkmans) are inspected by curious Chinese. At first, it may even be fun to be the center of attention. But as time passes, the novelty of being a walking one-man show wears off. And it's best not to be squeamish: you may also have to contend with open holes for toilets, previously used chopsticks, spitting, and intense overcrowding in almost every city.

Still, for the business traveler with a good bit of time to spare, independent travel is certainly worth considering. Those of you who have read this far without getting discouraged may well find it more rewarding than a package tour.

Getting underway

If you are not already in China on a business visa, you must first obtain an independent travel visa from the Chinese embassy or consulates. The main catch to getting this visa is the

requirement that you provide written confirmation of hotel reservations in the major cities you plan to visit. Booking reservations weeks apart will give you time to travel away from the standard tourist spots. Another way to get around the reservation requirement is to pick up a visa in Hong Kong, where travel agencies are adept at getting independent visas due to the proximity to the Chinese border and the presence of a CTS office there.

Travelers who take comfort in knowing where they will spend the next night will be disappointed to learn that getting hotel reservations is not easy. Only certain travel agents or hotels can book rooms ahead of time. In most cases, a reservation requires full prepayment, but in major cities a credit card can usually reserve rooms at luxury hotels.

The prices for rooms vary greatly. Dormitory beds can go for as little as ¥6 per bed (less than \$2). Cheap hotels and guest houses run from \$10 to

SUGGESTED GUIDE BOOKS FOR CHINA TRAVELERS

Buckley, Michael and Alan Samagalski, *China: A Travel Survival Kit*. Berkeley, California: Lonely Planet Publications, 1984. 820 pages. Excellent practical advice, as well as accurate descriptions of points of interest in every province. The best source on hotels, with addresses, phone numbers, and prices for the most and least expensive accommodations in every major city. The only drawback is that the research was done in 1982-83, before many cities and additional hotels were opened to foreign travelers.

Destenay, Anne L., *Nagel's Encyclopedia Guide, China*. Geneva, Switzerland: Nagel Publishers, 1984. 1,480 pages. Excellent coverage of history, climate, geography, religion, and art. Extremely detailed but somewhat dated descriptions of sights in cities ranging from major metropolises to tiny villages. The best source of information on sights older than 1984; includes maps but no information on hotels.

Kaplin, Fredric, Julian Sobel, and Arne de Keijzer, *The China Guidebook*. Teaneck, New Jersey: Eurasia Press, 1986. 736 pages. Updated every year, this readable guide covers 120 major tourist cities and sites and provides lots of practical information.

\$50 per night. In smaller, less known cities, the most expensive accommodations will cost much less than the pricey Beijing or Shanghai luxury hotels, but they will not have all the amenities either.

The meiyou problem

CITS can provide great assistance by obtaining tickets for buses, trains, or boats that are usually the only way to get to smaller cities. And once you get there, the CITS office almost always has an English speaker on hand who can provide maps with bus routes, directions to hotels or places of interest, and tickets for the next leg of your trip. But like any bureaucratic organization, CITS can frustrate even the most unflappable tourist.

If the people helping you, for example, aren't sure of something, the answer is usually *meiyou* ("no" or "don't have"). This saves them the work of finding out the answer or being criticized for giving information about an unauthorized activity. And in most cases, this rids them of the problem—you.

One way to get around the *meiyou* problem is to ask to speak to a supervisor, who may reverse the decision immediately. Even if the supervisor gives a negative response, do not lose hope until you verify the answer with clerks at the bus station, airport, boat dock, or wherever your question applies. Doing these things on your own will take at least twice as long, so you will need to have a flexible schedule that can easily accommodate unexpected complications.

Finding your way

If you don't speak Chinese—and in some inland areas even if you do—pointing and gestures become, of necessity, the predominant means of communication. In outlying areas few Chinese can speak English, and those who do usually know only a few words. To cope, it may help to have someone write out a few key phrases in Chinese such as "Where is the CITS office?" or "Where is a good restaurant?"

Navigating this huge country with its poor transportation system is never easy on your own. But the task is made somewhat easier—and certainly more enjoyable—by the Chinese people, who are generally very friendly and always willing to point an individual traveler in the right direction.

Part IV

Suggested Readings and Recent Articles on China

Suggested Readings and Recent Articles on China

China's Agricultural Sector

Agricultural Reform and Development in China, Sixth Colloquium Proceedings, IDEALS, Inc., Beltsville, Maryland, 1990

China Agricultural Yearbook, 1990, Agricultural Publishing House, Beijing, 1990

China Business Review, U.S.- China Business Council, Washington, D.C. (bi-monthly magazine)

China: Agriculture and Trade Report: Situation and Outlook Series, U.S. Department of Agriculture, Economic Research Service, Washington, D.C., 1990

China's Livestock Sector, Francis Tuan, U.S. Department of Agriculture, Economic Research Service, Washington, D.C., 1987

Chinese Publications in the Collections of the National Agricultural Library: A Bibliography, U.S. Department of Agriculture, Washington, D.C., 1989

Feeding A Billion: Frontiers of Chinese Agriculture, Sylvan Wittwer, Yu Youtai, Sun Han and Wang Lianzheng, Michigan State University Press, East Lansing, 1987

Institutional Reform and Economic Development in the Chinese Countryside, edited by Keith Griffin, New York, Sharpe, 1985

Traveling in China

China: A Travel Survival Kit, Joe Cummings and Robert Torey, Lonely Planet Publications, Australia, 1991 (third edition)

Hong Kong, Macau and Canton, Lonely Planet Publications, Australia

The China Guidebook, Eurasia Press, New York

Fodor's Guide to the People Republic of China, New York

Guide to the People's Republic of China, Japan Air Lines, Tokyo

Journey through China, National Geographic, Washington, D.C.

Nagel's Encyclopedia Guide: China

General Information on China

Cambridge Encyclopedia of China, edited by Brian Hook and Denis Twitchett, Cambridge University Press, U.K. 1991 (second edition)

China: A Country Study, Federal Research Division, Library of Congress, Washington, D.C., 1987

China Briefing 1991, William A. Joseph, The Asia Society, New York, 1991

Mao's China--A History of the PRC, Maurice Meisner, The Free Press, New York, 1977

Mao's People--Sixteen Portraits of Life in Revolutionary China, Michael B. Frolic, Harvard University Press, Cambridge, 1980

The Rise and Splendor of the Chinese Empire, Rene Grousset, University of California Press, Berkeley, 1970

Alive in the Bitter Sea, Fox Butterfield, Bantam Books, New York, 1982

CHINA AGRICULTURE AND TRADE REPORT
USDA/Economic Research Service
Situation and Outlook Series
July 1990

Summary

China farm output up, U.S. exports decline

U.S. agricultural exports to China in fiscal 1990 are expected to decline 20 percent to \$1.2 billion from the previous year's \$1.5 billion, primarily from reduced wheat shipments and lower prices. During the last June/May marketing year, China purchased 5.6 million tons of U.S. wheat, compared with 8.1 million the previous year.

Total grain production for calendar 1989 hit a record 407 million tons, up 2.1 percent from 1988. Planted area expanded 1.9 percent to 112 million hectares. Generally good weather and increased inputs raised yields 0.2 percent. Wheat production was up 6.3 percent to a record 90.8 million metric tons, and rice output climbed 6.5 percent to a high of 180.1 million tons.

For 1990, total grain output is projected to range between 407 and 415 million tons with expanded area and improved yields. A record 97-million ton summer grain crop has already been harvested and as of mid-July prospects looked good for a bumper fall crop, possibly 310-318 million tons.

Reduced area and yields cut oilseed production in 1989 by 7 percent to 28.5 million tons. Drought in Manchuria and the North China Plain limited peanut and soybean yields. In 1990, oilseeds should rise 2.8 percent from more area planted to rapeseed, cottonseed, and peanuts. A winter rapeseed crop of 6 million tons has been harvested, up 15 percent from 1989.

Cotton outturn last year fell to 3.79 million tons, 8.9 percent below 1988 because of poor weather and reduced yields stemming from less input use. A yield of 728 kilograms per hectare was the lowest since 1982.

A nearly 27-percent price increase announced in late 1989 for 1990 delayed cotton procurement as farmers held on to their crop. By yearend, the government had purchased less than 80 percent of the crop, compared with 91 percent in 1988. However, the price rise has stimulated production. Seeded area is expected to increase 5.7 percent to 5.5 million hectares and output will likely reach 4.57 million tons.

Meat output was a record 23.3 million tons in 1989, 6 percent over 1988. Pork expanded by more than 1 million tons, well above the 200,000-ton target. Poultry meat rose almost 17 percent to 3.2 million tons. Meat output this year will grow more slowly, about 2 percent, because of feed shortage.

Government austerity programs in 1989 slowed the rate of inflation, but restricted the growth of rural enterprises which forced many former farmers back onto the land. Credit

restrictions also made it difficult for government agencies to buy agricultural products. In some cases IOU's were issued and there were instances where purchasing stations closed their doors, actions which angered farmers seeking to sell their products.

Lack of investment was a major constraint on China's agricultural development in the 1980's. The principle manager of capital funds in rural areas, the Agricultural Bank of China, has been ineffective in promoting development. Instead, more than three-quarters of the bank's loans went to rural enterprises and to support government procurement of farm products.

Throughout the 1980's foreign assistance played a major role in funding agricultural development projects. Since 1980, China has received over \$2 billion from the World Bank. Assistance has also come from the Asian Development Bank, the Overseas Economic Cooperation Fund (Japan), the Ford Foundation, the United Nations Development Programme, and the European Community. However, the Tiananmen Square incident in June 1989 delayed many agricultural loans by foreign lenders and reduced nonagricultural ones, most importantly those for fertilizer plants.

China's state-controlled agricultural trade expanded at an average annual rate of close to 12 percent between 1983 and 1989. Exports, such as corn, cotton, oilseeds, and livestock products, exceeded imports of wheat, sugar, and edible oils so that the agricultural sector was able to provide foreign exchange earnings to buy advanced industrial equipment and technology. China's primary export markets are its Pacific Rim neighbors, including Hong Kong, Japan, the USSR, the United States, and Singapore. Agricultural imports come mostly from the United States, Canada, Australia, and New Zealand.

China's cultivated land dropped from 108 million hectares in 1952 to about 95 million in 1990 because use for other purposes exceeded reclamation efforts. Meanwhile, the population rose from 574 million to 1.1 billion. On a per capita basis, this meant that cultivated land dropped by more than half, from 0.188 hectares in 1952 to 0.086 last year. By the year 2000, population is projected to exceed 1.3 billion and cultivated land is expected to drop to around 94 million hectares so that each citizen would be supported by only 0.074 hectares, roughly the size of two basketball courts. These trends will force China's farmers to exercise great skill in planting the most advantageous combination of crops. It is expected that the area sown to coarse grains will continue to decrease with more emphasis on expanding wheat, oilseeds, and sugar.

Profile of Agriculture

Chinese agriculture is characterized by highly intensive crop production on small holdings averaging under one half hectare per farmer. With just over 1/5th of the world's population but only seven percent of the world's arable land, China is still nearly self sufficient in grain and cotton production (over 95 percent for each). Agriculture, accounting for 32 percent of total national income, is a key sector of the economy. Farmers accounted for 60 percent of the labor force of 553 million (according to 1989 statistics) and 74 percent of China's 1.1 billion people live in rural areas (according to the 1990 Census).

China produces a wide variety of agricultural products under climatic conditions that range from temperate in the north to tropical in the south and arid in the west. Key agricultural production areas are concentrated in eastern China and the central province of Sichuan. China is the world's largest producer of rice, pork, cotton, tobacco, and eggs as well as a leading producer of coarse grains, oilseeds (peanuts, soybeans, and rapeseed), wheat, apples, citrus, and walnuts. Staples are wheat in northern China and rice in central and southern China, but consumers can avail themselves of an increasing array of fresh and processed agricultural products.

Crop production still dominates Chinese agriculture but the livestock sector is growing rapidly with the feed sector expanding by approximately 15% per year. There is further room for growth since per capita meat consumption is only 19 kilograms (25 kilograms in urban areas), 82 percent of which is pork. Despite rapid growth, the livestock sector is constrained by inefficiencies in management and feed production. The swine sector, which accounts for more than 50 percent of China's livestock numbers, is dominated by small producers who raise 1-4 hogs using table scraps and straight grain rations. Although pork currently accounts for over 80 percent of total meat output, poultry meat, eggs, beef, mutton, milk, and aquaculture production have all grown rapidly as the government looks to stretch scarce grain resources by encouraging the production of animals which are grass-fed or convert feed more efficiently than swine.

Production Trends

China attained increased grain and cotton production over the last three years through a combination of policies promoting these crops and favorable weather conditions. Nevertheless, China hopes to boost grain production by another 15 percent by the end of the 1990's. Cotton production can be expected to achieve near record levels over the next few years as Chinese authorities attempt to provide sufficient raw material supplies to China's large textile sector.

Soybean and peanut production could remain relatively flat in upcoming years although rapeseed and cottonseed will likely maintain or exceed record levels barring significant changes in government production policies.

Ambitious production targets for the livestock, dairy, poultry, and aquatic sectors will necessitate breeding improvements and greater utilization of protein meals.

Growing demand for higher value products such as fruits have been partially met by a virtual tripling of fruit production during the 1980's in a trend that will slow only moderately in the 1990's.

Tobacco production declined slightly in 1991 as the government stressed the importance of grain and cotton production to the national economy.

The forestry sector is characterized by expanded plantings of fast growing softwood species most suitable for paper manufacture but a gradual depletion of commercially usable timber resources.

Farm and Food Policy

Although many agricultural products have been freed from state control, commodities considered essential to the economy or to social stability—such as major grains and cotton—remain subject to partial production quotas and state controls on marketing and distribution. Nevertheless, China's 8th Five Year Plan (1991-1995) seeks to introduce gradual market oriented reforms. These reforms include eventual rationalization of the grain distribution system by formation of wholesale commodity markets and price reforms which are slated to eventually eliminate low government procurement prices and government subsidized urban retail grain and edible oil prices.

China's three successive bumper grain harvests have depressed market prices and brought to light significant inadequacies in storage facilities. China's government is attempting to address these problems by increased purchasing for national grain reserves, setting higher procurement prices for selected types of grain, and upgrading its storage facilities.

The greatest advance in food production since dissolution of the commune system beginning in 1978/79 is the provision of an increased variety and supply of vegetables, fruits, and livestock products to rural and urban dwellers; mostly through open air type markets. The increased freedom to produce what the market demanded and the growth of specialized households which concentrated on profitable fruit, vegetable, tobacco, aquaculture, hog, or poultry production led to rapid increases in output.

The "Food Basket" program has spurred growth in vegetable, meat, egg, and milk production in rural areas surrounding medium and large cities. Livestock production in these areas is centered on large State Farms with medium-to-large scale semi-modern facilities and specialized households using simpler technology. Plastic-covered greenhouses assure adequate vegetable supply year-round in Northern cities.

Efficient distribution is hampered by a poor although gradually improving transportation infrastructure. Retail agricultural product sales are primarily through open air style markets. Supermarket style retailing is very limited with most of what little occurs conducted through state owned Friendship stores. Western style fast food operations are beginning to open in major urban areas where residents have higher disposable incomes.

Trade Trends

Through policies that encourage the export of agricultural products, tight control over imports, and production policies favoring grain and cotton, China has maintained a favorable balance of trade in agriculture for several years. In 1990, the value of agricultural exports increased slightly to \$9.8 billion, while imports declined 18.4 percent over 1989 values to \$5.5 billion. Although agricultural trade accounts for only about 5 percent of China's total GNP, agricultural export earnings are more than 15 percent of total exports while agricultural imports, dominated by wheat, make a significant contribution to China's food supply. Given current policies regarding agricultural trade and production, China may remain a net agricultural exporter for the next several years. The desire to earn foreign exchange combined with the recent gains in grain production serve to limit the necessity of increasing imports.

Exports of live hogs, fresh and frozen meats, corn, and canned foods continue to be China's main export commodities. Since the value added and processed products in particular allow China to earn foreign exchange, it is likely that the exports of these commodities will continue to grow. In addition, the emphasis by the Chinese government on the development of the livestock and dairy industry will place increasing demands on China's grain output and may lead to reduced exports of bulk type commodities.

Wheat continues to be China's most important agricultural import, accounting for nearly 40 percent of the value of all agricultural imports. Other products that consistently appear on China's import list include vegetable oils, cotton, and logs. While these commodities are likely to continue to dominate China's agricultural imports, China's emphasis on improving productivity in the livestock sector has created opportunities for breeding animals and livestock genetics. Although the total value of these imports is still quite small (less than \$75 million), they are showing rapid growth.

Because the U.S. supplies 30 to 50 percent of China's wheat import needs and because wheat dominates China's agricultural imports, U.S. fortunes in agricultural trade with China will continue to be linked to the level of its wheat exports for the near future. As China's import list grows, however, the U.S. will be provided with opportunities to expand the variety of products it markets to China, thereby creating a more balanced trade situation.

Trade Policy and Prospects

Chinese agricultural trade philosophy is centered on the goal of self-sufficiency in agriculture. Chinese officials maintain that, due to its large and expanding population, they cannot be dependent on other countries to meet their food needs. Imports are limited to those items that are essential to meeting the food needs of China's population or that are required to help improve the productivity of Chinese agriculture. As a result, China's list of agricultural imports is not very long and does not include significant amounts of value added products. The relatively low per capita consumption of a large variety of commodities, including meat, fruits, and vegetables would indicate that there is a latent demand for these products among the Chinese population that could be met by imports. Many Chinese, especially in the urban areas, have the disposable income to purchase such products.

A significant trade policy development in 1991 was the initiation of a 301 market access action against China that includes a number of agricultural concerns. These concerns include China's import licensing requirements, high tariffs on selected items, veterinary and phytosanitary standards and testing requirements, and the general non-transparency of regulations on imports. A successful resolution to the issues raised by the United States may create additional opportunities for a variety of agricultural products that currently have little or no presence in the Chinese market.

Table 1

Country at a Glance

Population (1990): 1.134 billion

Urban population: 26%

Population growth rate: 1.4%

Per capita GDP (1989): \$300

Total land area: 9,600,000 square
kilometers, 10% arable

Major crops: Rice, wheat, corn,
sugarcane/beets, soybeans, rapeseed,
peanuts, cotton, tobacco, sorghum,
apples, mandarin oranges, pears, walnuts

Livestock sector: swine; poultry
broilers and layers; cattle, mostly
draught, but some dairy and beef; sheep;
goats; major aquaculture industry

Leading agricultural exports: Canned
vegetables & fruit, tea, fresh & frozen
shrimp, corn, raw silk, peanuts, cotton,
swine, sugar, soybeans, meats.

Leading agricultural imports: Wheat,
cotton, vegetable oils (palm, rapeseed,
soybean), sugar, wool.

Agricultural imports as a share of
total imports (1990) 1/: 10%

U.S. share of total agricultural
imports (1990) 1/: 15%

Percent of labor force in
agriculture (1988): 58%

Membership in economic or trade
organizations: Observer Status at GATT

1/ On a CIF basis, includes forest
products

Table 2

Agricultural Production		
	1990 million metric tons	1991 1/ million metric tons
Crop Production		
Apples	4.3	4.3
Corn	96.8	95.0
Cotton	4.5	5.1
Peanuts	6.4	6.1
Rapeseed	7.0	7.3
Rice	189.3	187.0
Soybeans	11.0	10.1
Sugarbeet	14.5	2/
Sugarcane	57.6	2/
Tobacco	2.6	2.5
Wheat	98.2	96.0
	1990	1991 1/
Livestock numbers million head		
Cattle	103.0	108.5
Modern Dairy Cattle	2.7	2.8
Goats	97.2	102.0
Poultry, Layers 3/	1,050.0	1,200.0
Sheep	112.8	118.0
Swine	362.4	365.0
Livestock Products million metric tons		
Eggs 3/	7.9	8.3
Meat, Total	28.4	30.8
Pork	22.8	24.6
Poultry Meat 3/	3.2	3.4
Beef	1.3	1.5
Mutton and Goat Meat	1.1	1.3
Milk, Total	4.8	5.1
Cow's Milk	4.2	4.5

1/ Estimate

2/ Not Available

3/ Poultry layers and eggs include chicken, duck, and quail. Poultry meat includes chicken, duck, quail, turkey, and others.

Table 3

Value of Agricultural Imports - 1990 1/

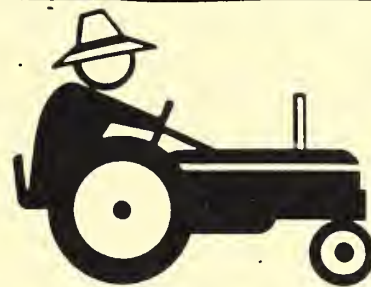
	Total Imports \$ mil.	U.S. Share %
Selected Products		
Wheat	2,156	30
Vegetable Oils	947	2/
Cotton	711	51
Softwood Logs	509	44
Sugar	379	2/
Wool	146	2/
All Agricultural Products 3/	5,471	15

1/ Imports on CIF basis

2/ Less than 0.5%

3/ Includes many products not listed above. Includes forest products.

Stabilizing Agriculture Prices



Zhengzhou's experimental grain wholesale market is blazing a trail for future commodities exchanges

Hang Chang

The Zhengzhou Grain Wholesale Market, China's first commodity exchange since 1949, got off to a quick start, selling 20,000 tonnes of wheat on its opening day last October. Since then, some 15,000 people have visited the market, including delegations from the World Bank and the Soviet Union, which is experimenting with its own commodity exchange in Moscow.

Described in many press reports as a futures market, the Zhengzhou market is actually operated as a national cash forward market by the Ministry of Commerce and the Henan provincial government. Distinguished from futures markets by their nonstandardized contracts, which require negotiation over each contract term and are therefore more difficult to trade, cash forward markets are generally not very liquid. Futures markets, in contrast, tend to be highly liquid, as their standardized contracts make transfers between parties routine. The Zhengzhou market, however, does utilize a performance bond (or margin), a common mechanism of futures markets to prevent default on agreements.

Establishment of the Zhengzhou market reflects China's need to create more efficient internal markets for agricultural products. Planners hope the market will improve distribution of food grains, thereby helping reduce wheat imports. In addition, the market is expected to increase predictability of grain prices, providing stability to the traditionally volatile free market. While the Zhengzhou market has not yet met all these expectations, it

Establishment of the Zhengzhou market reflects China's need to create more efficient internal markets for agricultural products.

remains an important first step in creating a national grain market.

Distribution shortfalls

Grain and grain products are key crops for meeting consumer food needs in China and have long been subsidized by the State to keep prices low in urban areas. After the central government introduced economic reforms in the countryside in 1978-82, grain production increased significantly, but these gains were short-lived. By the second half of the 1980s, production stagnated despite rising national demand for grain. Numerous problems, such as an inefficient land contract system, slow implementation of price reforms, a poor transportation system, inadequate investment in infrastructure, and environmental degradation

acted as drags on crop production.

Even when grain is abundant, as during last year's record harvest, distribution and transportation problems prevent it from getting to the places where shortages are most severe. For example, large cities in southern China have difficulty obtaining enough wheat to meet demand, and often turn to imports to fill the gap. China has thus become a net wheat importer, purchasing between 8-15 million tonnes of foreign wheat each year over the last five years, compared to just over 7 million tonnes in 1978.

The State continues to be highly involved in grain production under an agricultural system that has only been partially reformed. Farmers are required to sell a portion of their grain to the government at low, fixed prices. The government in turn distributes it to needy areas of the country, particularly urban areas. The State reportedly spends more than 13 percent of its national budget to subsidize farmers' grain and food-oil output and maintain stable, low grain prices in urban markets.

After meeting the State quota, farmers can sell the remainder of their grain at the best available market price. Free market pricing, however, actually operates within two tiers. Bulk transfers of grain between provinces are conducted at a "negotiated price" that tends to be lower than the free floating prices that operate at local township markets. Although approximately 65 million tonnes of agricultural commodities circulate in the free market each year, only about 3 million tonnes of wheat

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are marketed between provinces, so a considerable amount of wheat and other grains remain in the locality of production—usually in China's northern provinces. Under this system, regional surpluses and shortfalls can result in extreme price volatility. The Zhengzhou Grain Wholesale Market was established to offset some of these problems, but its birth was a long, slow process.

The making of the market

Reportedly, in the mid-1980s former Premier Zhao Ziyang was impressed by a Hong Kong-made videotape on futures markets, so he instructed government officials to study the feasibility of setting up such markets in China. In late 1987, a group of scholars recommended that the State Council form China's first futures market, and in early 1988 then Deputy Premier Li Peng gave a green light to the project.

The project was undertaken jointly by the Ministry of Commerce and two major think tanks for the State Council: the Development Research Center and the State Commission for Restructuring the Economy. Henan Province, which produces almost 75 percent of China's wheat, later joined the consortium and acted as a major promoter of the project.

In early 1989, a detailed proposal was drafted to test markets for different products in four provinces, but the market research was delayed by the June 4 crackdown. When Li Peng unexpectedly gave the think tanks permission to revive the project in mid-1990, the decision was made to establish the first market in Henan Province.

The Chicago Board of Trade, the world's largest futures exchange, has played an advisory role throughout the project. While not directly involved in setting up the market, the board provided educational assistance on futures trading by hosting several Chinese officials and researchers. Over the last three years the Board has sponsored staff exchanges and seminars in both Chicago and Beijing.

Broadening operations

Despite a stellar opening day, trading on the Zhengzhou market soon slowed, with only 50,000 tonnes of wheat traded in the first month. Although the Ministry of Commerce

Foreign-invested enterprises are not prohibited from participating in the market, but apparently none have so far.

and the Henan provincial government gave permission to 200 organizations to trade, on an average day only 20-30 players got involved. Traders were not enthusiastic as some were still learning the trading procedures, while others remained skeptical of the market mechanism. Some traders were not interested in buying wheat as the record 1990 harvest had left large stockpiles in many major wheat-purchasing cities.

In early November, top officials from the Ministry of Commerce called a special meeting to discuss the sluggish market. The group recommended that the market be broadened to encompass other food grains—peanuts, peanut oil, and corn—and that traders not be charged sales taxes. The Ministry of Transportation was requested to give priority transportation to grains

traded on the market. In addition, all authorized traders were asked to be present on the trading floor one week a month to encourage full participation. The exchange itself also adopted a more active role, both matching traders and serving as an agent for nonmember organizations. After these new policies were implemented, more than 130,000 tonnes of grains and oils were traded during the second month, including 40,000 tonnes of wheat.

While sales of corn, which has many industrial uses, have so far been fairly widely dispersed, wheat and peanut trades have tended to transfer crops from the north to the southern coastal provinces, with most supplies purchased by Guangdong, Guangxi, and Fujian provinces. Some southern cities and provinces also use the market to purchase national grain and oil reserves from the China National Cereals Trade Corp. This new pattern is a signal that grain distribution by the State may be at least partly replaced by the market, since previously grain supplies were purchased directly from the central government.

Some Chinese officials believe that the Zhengzhou market may already



China's inefficient grain distribution system prevents adequate supplies of wheat, which is grown in the north, from reaching demand centers in the south.

have helped stabilize grain prices nationwide. When the market opened in October, the price of wheat was ¥0.85/kg; it rose to only ¥0.86/kg by the end of December, and has hovered around this price ever since. A national survey of wheat prices conducted by the Ministry of Commerce last December found similar price levels throughout the country. Though some sources attribute the minimal price fluctuations to invisible government intervention, they have also been achieved by the high selling price, which is slightly above international levels. Further increases would only motivate buyers to look abroad. Whatever the reason, the Zhengzhou market price is clearly being used to some extent by local markets as a reference price.

Market mechanics

Participants in the Zhengzhou market tend to be State and provincial grain trading corporations, farm cooperatives, and businesses that need grain such as flour mills, hotels, and brewers. Individuals are not allowed to participate. Industrial enterprises are sometimes represented collectively at the market by their parent company in order to save exchange membership costs and facilitate bulk buying. Enterprises that do not join the exchange can trade through brokers, which are all State and provincial grain trading companies. Smaller grain trading companies have utilized brokers most frequently. Foreign-invested enterprises are not prohibited from participating in the market, but apparently none have so far.

The market operates under a fairly strict set of rules and regulations. All participants must pay a one-time membership fee of ¥10,000 (\$1,961). The minimum transaction is 50 tonnes, and prices must be quoted at intervals of ¥0.001 (\$0.0002) per kilogram. The market claims a 1-1.5 percent transaction fee on each deal. Grain trading corporations acting as brokers can charge commissions of up to 4 percent of the trade price.

To trade, sellers must provide information to the market staff before the auction begins, including quantity and quality of the goods for sale; location, time, and method of delivery; required method of payment; packaging arrangements; and minimum acceptable price. Sellers

Administrative agencies that previously had exclusive control over bulk grain transactions between provinces oppose the market's further expansion.

must also provide a sample of their wheat for inspection by potential customers. Currently, only nonstandard contracts are being traded on the market. Market officials originally planned to introduce standard contracts a few months after the market opened, but apparently no agreement on delivery points, the first item to be standardized, has yet been reached. It is still unclear when standardized contracts will actually appear on the market.

The auction is conducted by market staff, but if no buyer meets the seller's minimum acceptable price, no deal is made. Buyers may bid for less than the full quantity of wheat offered only if the seller agrees. If a deal is struck, the buyer and seller negotiate payment and delivery details. The seller is responsible for loading the wheat onto a vehicle for shipment, but the buyer must pay transportation charges. The buyer and seller each pay a performance bond to the market in the amount of 5 percent of the trade price. This margin is intended to guard against defaults and is refunded after delivery and payment have been made. The market staff is allowed to raise the margin in the event of price volatility.

Business is restricted to wholesale cash and forward trading in which agreements are made for 6- or 12-month delivery. Contract transfers to third parties will be permitted when standardized contracts are introduced, but only two months prior to delivery. This precaution was established to limit opportunities for speculation, making the operation of the Zhengzhou market quite different from futures markets in capitalist economies, where contracts may trade hands many times before delivery. Thus far, there has been no evidence of open speculation on the

Zhengzhou market.

Problems and pitfalls

Despite these detailed regulations, a number of structural problems could hinder the Zhengzhou market's development and expansion.

- **Planned economy** To a large extent, grain trading remains planned by the State, a fact that influences buying mentality. Even for some organizations participating in the Zhengzhou market, market prices are not the driving force behind transactions; they buy or sell when told to do so by higher-ranking government organizations. Although an open market with competitive prices now exists, many organizations lack the incentive to obtain the best price possible.

- **Administrative mentality** Since China's market is organized and coordinated by central and local officials, no effective independent channel for marketing exists in China. The Zhengzhou market staff tend to target officials rather than endusers in their efforts to expand business since administrators remain the most important decisionmakers in China.

- **Unfamiliarity with market mechanisms** Traders are still learning how to conduct business in a wholesale market. Many prefer to use traditional methods of channeling trade through old business connections or partners. Thus, personal relationships sometimes carry over into the market, creating a nonprice basis for dictating who trades with whom.

- **Risk of default** China's open market is notorious for its high default rate: 70-80 percent of all cash contracts reportedly go into default without settlement. Authorities are uncertain how risk of default will affect the wholesale market, though no defaults have been reported so far.

- **Insufficient credit** Traders may have difficulty coming up with the money for initial payments due to tightened bank credit under the austerity program. Even though the situation has been easing and the Zhengzhou market has called on central and local banks to provide traders with easier access to more credit, significant changes are unlikely considering how slow Chinese banks have been in instituting reforms. It is very difficult to transfer

While China marks time, old dogma rules

Back to the future

By Robert Dettin in Peking

It has been a year of facing painful hard facts for China's communist party leaders. The once vibrant Chinese economy is still sluggish, and there is no one who still dreams, as they did a year ago, that its problems can be solved by reverting to 1950s-style socialism.

While trying to maintain the political status quo after the dramatic events of June 1989 — including the removal of Zhao Ziyang, the leading proponent of economic reforms, as the potential heir to Deng Xiaoping — the new leadership finds that reversing these policies is much more difficult than anticipated. With economic growth showing modest gains after a period of stagnation, it is not possible that private and joint-venture enterprises play an important role in this.

Attempts by economic conservatives to stifle township and village enterprises appear to have been abandoned. China's real leadership — the elderly party and army patriarchs, of whom Deng Xiaoping since June 1989 has been only first among equals — know well that a return to old-fashioned socialist economic policies will not work. The collapse of socialist economies worldwide in itself is enough to convince even the most doctrinaire cadres. But they cannot agree on what to do about it. Political competition among them is now related to the question of who will live longest.

China's vaunted political stability remains a brittle and sullen affair. The populace, including large segments of the political elite itself, seems demonstrably unimpressed by the lacklustre new leadership "core" which was formed in the wake of the Tiananmen upheaval last year. With Peking loosening its grip on credit and official recognition that imports have fallen too sharply, imports can be expected to rebound in the second half of this year. China's trade reforms, now in the final of a three-year plan, will be extended, instead of giving priority to commercial enterprises as before, the focus will be on manufacturing enterprises instead.

But as China finds itself less relevant on the world scene with the collapse of any threat from the Soviet bloc, there is an unmistakably "back to the future" tone to the socialist rhetoric. "Unity is strength", trumpeted the headline over the lead editorial in the *People's Daily* on 5 August. The current

task, the editorial explained, is to "unite with all forces that can be united with... even those comrades who hold different views, or who have made mistakes — all of them can be united with."

Could this be a hint that the party plenum later this year will evoke a new spirit of magnanimity and forgiveness for those who "erred" last June? Maybe so, but it is hard to tell. So many slogans have been resurrected in speeches and editorials over the past year, but few, in retrospect, offer much in the way of useful insights into party policy.

Until recently, *People's Daily* editorials were relatively infrequent but almost invariably significant. A commentary was clearly to be considered important, a signed commentary even more so, while an editorial was the *Revealed Word*, representing a decision of the party leadership at the highest level.

This was demonstrably still true as recently as last year. The outstanding 26 April editorial (which described the student movement as a planned conspiracy intended to negate socialism and to lead the leadership of the party) was understood as critically important by the leadership and the demonstrators alike. It resulted in an escalation in the scale of the demonstration.

Over the past year, the Chinese Communist Party's leading organ has run at least one full editorial every month. But it is difficult to argue that any were truly significant. Each featured a slogan resurrected from past political campaigns or intermeddled theoretical disputes but with little discernible relation to current or prospective party policy.

The entire text of an editorial now generally consists of a pastiche of other slogans. The "Stability is Unity" editorial cited above, for example, reminds us that the communist party is the "vanguard of the working class," cites Mao Zedong's instructions on "correctly handling contradictions among the people," while of course stressing the importance of "clearly opposing bourgeois liberalism" and warning against "foreign and domestic forces intent on infiltration, subversion and peaceful evolution."

Reading these documents is reminiscent of the commercials on American TV for "Golden Oldies" albums — medleys of big hits from way back when. In July, the leading organ ran "Seriously Uphold Criticism

and Self-Criticism" — you remember that one, of course, a classic from the late 1960s. And who could resist, on 1 May, "Wholeheartedly Rely on the Working Class?" Or, commemorating the anniversary of Lenin's birth last April, "Always Uphold the Integration of Theory and Practice?" And of course, last December, the never-to-be-forgotten "Uphold the Party's Mass Line." Yes, those were the days!

The effect, at least for those who still recall the *People's Daily* as it was under Mao's management, is quite surreal, and for some people even unsettling, though less so as time goes by and the editorials continue to appear without apparent impact or effect.

But however haddened or ineffectual, these speeches and editorials are by no means meaningless. The speech by party General Secretary Jiang Zemin on the 1 August anniversary of the founding of the People's Liberation Army (PLA), for example, stressed that "only under the party's leadership can the army maintain its proletarian character, serve the people, and preserve a correct political orientation during the current complicated struggles."

Jiang's speech merely amplifies the theme of a year-long PLA political indoctrination campaign spearheaded by Yang Shangkun and his half-brother Fang Bihong. Paraphrasing Mao to a recent Peking military region party committee meeting, Yang recently noted that "the gun barrels must be in the firm grip of those who are loyal to Marxism."

The point is unambiguous — the leadership is worried that elements of the military do not unconditionally accept the principle of party leadership over the military, and that some gun barrels may not be in the grip of loyal Marxists.

The more recent "Unity is Strength" editorial, similarly, signals the depth of high-level concern over the fragmentation and splits within the party and its leadership. The editorial cited Mao's relevant observation that building party unity perseverance means uniting with comrades of different views. "With regard to those who share the same views are concerned, there is already unity, so the problem of building unity does not arise."

On the basis of this editorial, therefore, we may confidently assume — despite protestations to the contrary — that the problem of achieving unity within the party has arisen yet again.

The derivative quality of these speeches and editorials itself illustrates an important point. This formal structure, consisting almost entirely of quotations and paraphrase from the past, carries its own message about the strained conditions under which politics is conducted in China today.

We are in the midst of a protracted death watch for Deng and his cohort colleagues-in-arms, all members of the founding generation of the Chinese Communist Party, at a time when the communism system itself elsewhere in the world seems not just in retreat, but finished.

The titular party leaders — the middle-aged men who actually sit on the politburo, and in particular party General Secretary Jiang Zemin (who is frequently referred to as the "core" of the third generation leadership) — recycle their slogans from bygone struggles because only dogma is safe.

None can dare to presume the authority to initiate a creative response to the party's collective crisis even to the extent of inventing a new slogan, at least not while Deng and the other elders are still alive. Their speeches on important occasions are indistinguishable from the editorials.

The result is leadership — if that is the correct word — by quotation and reprise. What is unsettling here is the disturbed sense of cause and effect. There is a belief that the act of making soldiers read and study a speech about the importance of party leadership will itself make the army more loyal. Or that a slogan about unity is a button which, pushed long and often enough, can itself unify a divided party.

But these buttons no longer work. The writing which once attached them to the minds and hearts of millions has faded and perished. China's leaders go on pushing them simply because there is no alternative.

The leadership today, like the emperors of previous dynasties, have attempted to govern China through slogans and moral precepts because society lacks any permanent, impersonal political institutions through which power can be mediated or deployed. This applies most particularly to the entire pyramidal structure of party and government.

Political power in China remains essentially personal, not institutionalized. The real leadership consists of five very tired old men — Deng, Chen Yun, Li Xian-dun, Wang Zhen and Peng Zhen. All are over 60, four are Long March veterans, but none is a member of the politburo. Only Wang Zhen, who is vice-president, holds any other substantive party or governmental post, and that post is quite irrelevant to his actual influence and power.

This, of course, is why Deng's succession presents such a problem. If the real leaders' power has no institutional basis, it cannot be institutionally transferred.

The failure to build real political institutions in nearly half a century of communist rule was not an oversight. Both Deng and Chen Yun saw the danger at an early point and took steps in the 1960s to address it. That they had failed, however, was manifestly clear after June 1989.

In the light of history, that tragedy may be viewed primarily as an institutional crisis. The crucial turning point which ultimately led to bloodshed on the night of 3 June came when the highest decision-making bodies in the party — the politburo, its standing committee, the central committee itself — submitted to an undisguised attempt by a handful of senior retired leaders to usurp their formal powers (an attempt which, quite parenthetically, grossly violated both the state and party constitutions).

A final slogan that should not be overlooked is "stability over all else," for once a relatively new coinage by Deng himself. This is not merely an apology for the status quo, though it is that too. Perhaps this alone has actually elicited a real response from a broad section of the people and the party.

Deng genuinely fears that weakening the party's leadership will bring about utter chaos. In June, the China-controlled Hong Kong newspaper *Wan Hui Pao* carried recent remarks by Deng to an unnamed visiting foreign dignitary. China in chaos, Deng reportedly said, would mean instability for the entire world. Nobody would be able to end a civil war once it started. Refugees from China, a some armed, would flood the world — 10 million to Hong Kong, a hundred million to Indonesia, and a half million to Hong Kong.

Deng is not alone in such forbidding. Fear of a total breakdown of order should the party collapse is shared by some of the party's most radical critics, including many who demonstrated in Tiananmen last year. The example of Romania, the spectre of an Iranian-style revolution, and renewed memories of China's own Cultural Revolution — these are the nightmares that temper the dreams of those who would fight for change.



Cultural Revolution: those were the days.

FOREIGN POLICY

Exit (world stage left)

The end of the Cold War and the epochal reshaping of the global balance of power now under way, rather than the legacy of the Tiananmen bloodbath in June 1989, was a primary factor in altering China's international position. In a world primarily preoccupied with the implications of the Soviet empire and the reintegration of its Western-mised satellites into what will become a united Europe, China's leaders are painfully discovering that the Middle Kingdom matters less on the international stage than it did not long ago.

It does, of course, remain a massive player in the Asian region. The most populous country in the world, and Asia's only nuclear power, with a GNP of over US\$400 billion, China is of critical military and economic importance in Asia.

This fact has been recognised by Japan, of huge importance to China as an investor and as a market, if by none of the other major powers. While other world leaders kept their distance, it is notable that it was Japan which moved furthest and most quickly to restore friendly relations with Peking in the aftermath of Tiananmen, and that it was Japanese Prime Minister Toshiki Kaifu who undertook to act as the spokesman for China's interests at the Group of Seven meeting in Houston in July.

Peking's relations with Tokyo will assume increasing importance in Asia as both the US presence and Soviet ambitions in the region fade in the post-Cold War era. And China still has a major role to play in the region. As the chief, if not sole, supplier and backer of the Khmer Rouge, Peking will play a crucial role in any Cambodian settlement.

Close historical bonds with Pyongyang and rapidly growing unofficial trade and diplomatic ties with Seoul underline China's intense interest in the course of future developments on the Korean peninsula.

The restoration of diplomatic ties with Indonesia in July and, within the next few months, Singapore, essentially completes the process of repairing the damage to China's relations with South-East Asia wrought by adventurist sponsorship of leftist insurgent movements in the 1960s, clearing the path for China's full participation in the new regional economic and political arrangements taking shape under the aegis of the Asian-Pacific Economic Cooperation.

The flow of people, goods and investment dollars across the Taiwan Straits has rapidly accelerated to the point that it is likely that within a few years the economic integration of Fujian province with Taiwan may approach or even exceed that of Hong Kong with China's adjacent Shenzhen Special Economic Zone and other areas in the Pearl River Delta region.

populous and wealthy coastal regions which now account for more than 60% of China's industrial economy in terms of output value. External markets are no longer supplemental, they are vital. As in other newly-industrialising countries, an increasing number of enterprises (particularly in coastal regions) produces primarily for foreign markets, often using foreign technology and materials.

This is why, despite professions to the contrary, the post-June sanctions against Peking really hurt, even though they were limited in extent and implementation. It would have been a disaster had China's exports lost their MFN status in the critical US market. China's sales to the US (including re-exports through Hong Kong) could reach as much as US\$20 billion this year, up from US\$12 billion in 1989 — about 23% of China's total merchandise exports. At most all of this would have been affected if MFN status had been withdrawn.

What this means, in effect, is that China's decade in the sun is over. Memories of the 1989 massacre in Peking may fade, but the days when leading Western politicians and businessmen from all over the world vied with each other for an audience with one of China's leaders at the Great Hall of the People or at Zhongnanhai,

PROFILES

With an eye to the future

Trying to crystallise about the future course of Chinese politics has always been a virtual impossibility, but Peking correspondent Robert Delfs backgrounds five of the younger generation of politicians who may well become names to follow.

Li Ruihan (b. 1934). Apparently defying the powerful resurgence of leftist political sentiment in China in the past year, the former mayor of Tianjin has openly criticised the regime's recent liberalised propaganda efforts and feuded with the Stalinist cultural czar, He Jingzhi. Li has done everything he can to cement his image as a liberal reformist ever since his rapid promotion to the Politburo standing committee in the wake of the Tiananmen violence in 1989. He is the only one among the current leadership who is openly sceptical that the party can recover its legitimacy by returning to the Maoist mass campaigns of yesteryear.

Li is engaged in a difficult game, playing to win not in the current power struggle but rather the next one, in the likely event that there is a swing back towards more liberal thinking. If that happens, Li will stand out as the sole member of the current leadership whose reformist credentials are intact.

In adopting this stance, Li is supported by his father-in-law, Wan Li, the relatively liberal chairman of the National People's Congress. Li seems to have correctly calculated that he is virtually immune to dismissal — since this would undermine the leadership's carefully-crafted image of unity and stability at the top. Li is probably also acting with at least a wink and a nod from Deng Xia-



Li Ruihan.

the walled compound that was once the preserve of the emperor and his family are now past.

This should not be dismissed lightly, because to the aged men who rule China, these symbolic trappings that came with China's role as a junior superpower meant as much as, and were to an extent identified with, the substance of participating in world leadership.

The diminution of China's power and influence as a result of global strategic realignments is threatening to its leaders — even potentially destabilising — not because of any supposed communist fixation on matters of "face", but rather because the communist party's ultimate claim to legitimacy is grounded not in a popular mandate, nor even the historical objective of building a socialist society, but rather in the mission to restore China to its rightful place in the world.

But China is not, in today's world, a superpower — if that term still has any meaning. And the continuing political stalemate at the top of China's leadership pending Deng's death and a clear leadership succession, moreover, will restore and exaggerate the impression of China's impotence beyond the actual state of affairs.

■ Robert Delfs

ping, who knows the importance of having at least one liberal voice in the leadership, and seeks to broaden the political spectrum if only in order to facilitate his preferred role of performing a balancing act at the centre.

Zhu Rongji (b. 1928). The Shanghai mayor has benefited from the post-Tiananmen episode, and not only because Shanghai handled this difficult situation relatively well, at least compared to Peking. More importantly, the promotion of former Shanghai party chief Jiang Zemin to the top party job left Zhu to run China's biggest city more or less on his own. He will be able to take credit for the central government's decision to allocate more resources to Shanghai and the Pudong development project, for which he hopes to attract US\$10 billion in foreign investment.

Zhu's trip to Hong Kong in June and tour of the US in July stood raised the articulate Shanghai mayor's profile and helped him position himself as someone who is reassuringly acceptable to foreign national image.

His background in central government work is stronger than most local leaders, and Zhu has considerable experience on foreign investment issues. As vice-minister of the State Economic Commission, Zhu handled a dispute over the troubled American Motorola Beijing joint venture.

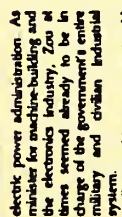
Zhu made a good impression with reformists in the latter part of 1989 by speaking out strongly for continuing the policies of reform and opening to the outside world on the eve of the Fifth Plenum, the party meeting at which conservatives tried to undo much of the reformist gains of the past 10 years.

Zou Jihua (b. 1926). The new minister of the state planning commission is the son-in-law of the late Ye Jianying, the powerful Hakka marshal whose son still runs Guangdong Province. This, plus his own military background in the 1970s and early 1980s Zou worked for the Science Technology Commission for National Defence (which gives him strong support in PLA circles. He has strong ties with Premier Li Peng, probably dating back to his early career in



Zhu Rongji.





Zhao Ziyang

electric power administration. As minister for machine-building and the electronics industry, Zhao at last was able to get his hands on the reins of the government's entire military and civilian industrial system.

Zao would appear to be the old guard's top candidate for premier. Li Peng is "ticked off" to the task of presiding over the National People's Congress standing committee.

Li Changchun (b. 1940). The former governor of Liaoning, little known outside China, Li is at best a dark horse candidate to move into the central government. He is a leading contender to lead China into the 21st century.

Li's recent transfer from Liaoning as part of a comprehensive three-provincial shuffle of governors was apparently primarily motivated by fears in Peking that Li had become too popular and too powerful in his Manchurian base. Prior to the transfer, Li was mayor of Shenyang, where he championed some of the most important reforms and innovative economic initiatives in any major industrial city.

Together with his former classmate, Fujian governor Wang Zhaoguo and Hu Jintao, Li is one of the few members of the generation who were youths during the Cultural Revolution to enter national-level positions.

He Jintao (b. 1942). The present party secretary of Tibet, he was a top leader of the Communist Youth League in the early 1980s before taking over the top party job in Guizhou province. This background suggests that he once oversaw a great deal to former party general secretary Hu Yaobang and his associates, such as former foreign minister Wu Xuebin.

Promotable and talented, He has clearly earned the respect of many leaders who distrust Hu Yaobang's mercurial character. By the nature of his previous assignment, Li is also working closely with the military leadership in the region.

The biggest problem is that He is not a high-risk, high-reward bet. He is not a Chinese leader in the mold of Deng Xiaoping or other Chinese leaders in the mold of Deng Xiaoping. He is a safe choice, but he is not a high-risk, high-reward bet. He is not a Chinese leader in the mold of Deng Xiaoping or other Chinese leaders in the mold of Deng Xiaoping.

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ECONOMY

The long, long road back

China finally began to pull out of recession in the second quarter of 1990 with industrial output up 4.1% in real terms. Although the June six-month figures showed a year-on-year gain of only 2.2%, this figure is distorted by the economy's dismal performance in the first quarter, when output slumped only 0.1%, but June industrial output reached Rmb 175.3 billion (US\$27.2 billion), up 5.9% in real terms over a year ago.

Reaching the government's year-end target of 6% net real growth will remain difficult, however, but not impossible, if only because industrial output growth fell off sharply in the third and fourth quarters last year.

Industrial output growth must be highly qualified by the continued poor performance of China's inefficient state-owned sector. Despite the fact that state factories were the primary beneficiaries of credit relaxation in the last quarter, growth in this sector was only 1.8%. Urban collective enterprises remained moribund as well, with a third successive quarter of negative real growth.

The upturn was thus entirely due to the performance of dynamic rural industries, which gained 6.5% in the third quarter on an annual basis. Privately owned and joint-venture enterprises, the category referred to simply as "other" in China's official economic statistics, also rebounded sharply with a 50% increase.

After stalling a few months ago, the political campaign by economic conservatives against the rural township and village enterprises appears to have been abandoned, and China's planners now lead the charge but to rely on the once-enslaved rural factories to lead China's recovery out of recession.

In the last quarter, the share of China's total industrial output led by the rural sector for the first time since the nationalization of private industry in 1956. Rural and urban collective enterprises and joint-venture firms have now reached 8%.

To be sure, the resurgence of the non-state-owned sector and signs of a healthy (if occasionally skeptical) shift back to the market place are welcome, but they are far from enough to make the party general secretary Zhao Ziyang demonstrate that the reforms are in fact more deeply rooted than was previously supposed.

This may be true with respect to the status quo policies of 1988, but there is no sign yet that China's current leadership is prepared to consider radical changes in ownership structure and management in the state sector or its commitment in principle to the dismantling of publicly owned enterprises.

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1980s, and even faster during the buying frenzy of the inflationary late 1980s, when many city dwellers panicked by the rapid decline in the purchasing power of their savings were ready to buy almost anything.

Now that inflationary pressures have eased, these same products have become nearly unobtainable. Mountains of refrigerators and washing machines choke warehouses all over China, and many of the factories making them have been forced to close or suspend production.

This is not because urban consumers cannot afford these products. Most city dwellers have been totally shielded from the effects of the recession, and the total income of the urban population rose 5.3%. Residents' savings deposits grew by Rmb 75.1 billion in the first four months of 1990, more than twice the increase over the same period last year, and are again at an all time high.

The problem is rather that the market for consumer durables in fact when urban consumers are now essentially saturated, and in fact was probably already saturated two years ago. Plans for more credit will do little to prevent a return to anything like the near-stagnation of the late 1980s, but it will be disconcerting for it to appear that the artificially inflated profits of the late 1980s—that is, being returned to high inflation.

For the leadership, this situation effect has suddenly highlighted the critical inflationary growth of external markets if China is to achieve balanced industrial growth. Like other newly industrializing economies before it, China must continue to expand exports to survive.

This recession comes, however, at a time when the prospects for China continued access to overseas markets have been clouded by the dispute with the US over human rights and China's Most Favored Nation status in the crucial US market. At present, moreover, the inefficient centrally planned system has no means less prepared to operate in a rapidly-changing and increasingly volatile international market. Here too, rural industries are increasingly suffering the fate of the urban state-owned enterprises.

Rural township and village enterprises are expected to increase by a third to reach US\$15 billion this year, which would be equivalent to about 30% of China's total exports in 1989.

Ironically, the only other way out for urban state-owned industries may be to expand rural consumption. But this is not as easy as it sounds. One reason is that the structure of consumption in rural and urban areas is vastly different.

Unlike most city dwellers, rural peasants own few homes, so home building is a major motive for saving in rural areas.

Even though a large number of peasants in the more prosperous rural areas have already built new homes in the last seven years, the large bulk of rural Cultural Revolution baby-boom families are still saving to build new houses for the next generation.

Since most city dwellers live in heavily subsidized (if substandard) state-owned housing, when urban incomes increased in the 1980s there was almost nothing for them to spend their money on (or save for) other than consumer durables.

Rural peasants, however, have a preference for housing, but this means that a comparable increase in rural incomes translates into a much smaller change in demand for consumer durables, at least in per capita terms.

Ironically, a record summer harvest, plus a good one expected in Autumn, which should see grain production up 1.2% over last year, will be bad news for farmers. While overabundance of grain, pesticides and other inputs have soared way above the 18% rise in grain prices in the past four years, a good crop will see prices fall to last year's levels, meaning that taking of where farmers will spend their money might well be irrelevant.

It should be stressed here that it is the urban system and not the rural market which is most distorted. In this instance not only is subsidized urban housing, but also by contrast on employment in cities and artificial barriers blocking surplus rural labor from seeking urban employment.

It may also be seen that the inability to introduce commercial housing reforms in urban areas was, oddly, a key factor in China's intense but badly imbalanced industrial boom in the late 1980s.

This does not mean that rural demand for consumer durables will not increase, nor can the immense size of China's huge potential rural market be forgotten, but the pace will be led to the process of urbanization and the growth of non-agricultural rural employment in large part resulting from the expansion of rural industrial and commercial enterprises.

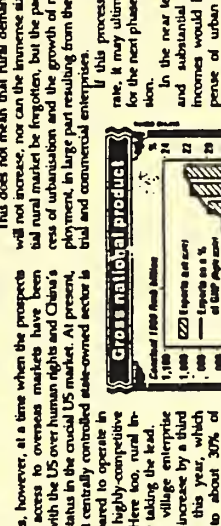
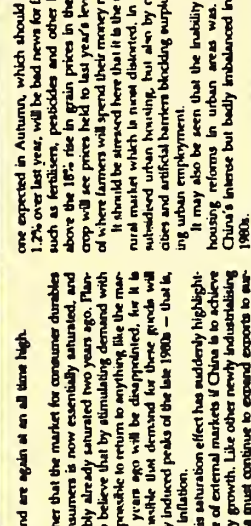
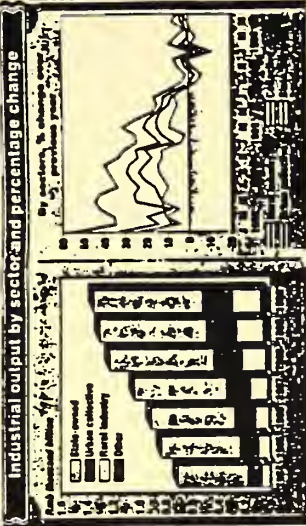
In the near term, however, any rapid and substantial increase in rural incomes would have to come at the expense of urban income much faster than the workers' productivity, or rural in comes.

Far more than students or intellectuals, the communist party must treat its urban workers.

It is unlikely that the present leadership nor any probable successors will have the political courage to let urban Chinese live the way they must live within their country means.

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FEATURES

Focus on Fieldwork in the Sciences

takes place, China's own priorities in scientific development (which may not always match our own), and, to some extent, basic cultural differences between Chinese and foreigners involved in joint projects. Below is a discussion of some of these aspects and a sketch of a few of the more successful US-China cooperative scientific projects to date involving fieldwork.

Unique Features of Fieldwork in the PRC

Bureaucratic realities in China must be seriously taken into consideration. In planning fieldwork projects, Chinese host agencies must heed general policies concerning foreigners. Foreigners are not authoritatively informed about these policies, but there is evidence that the regulations do not form a major obstacle except in cases where areas explicitly closed to foreigners or geographically remote and difficult to reach are involved. One of the major hurdles to gaining field access for foreign scientists seems to be the granting of permission for the project by local government authorities. Local officials may be hesitant to give their support because in many cases they take a certain risk in doing so without foreseeing any direct benefits. As they view it, the benefits usually go to an institute or agency in a more central base or in Beijing. Even provincial branch institutes of the Chinese Academy of Sciences often seem to be hesitant to lend their support because they may feel that, in any event, it is the centrally located institutes that get the lion's share of participation in the foreign exchange programs, particularly when measured in terms of trips abroad.

One point that should be kept in mind when negotiating for fieldwork in China is the lack of responsibility for decision-making granted to individual Chinese bureaucrats. The Chinese bureaucracy is formidable, and a negative response to a foreign request may mean that the official has tried to convince others both up and down the chain of command and has failed. That is not to say that the foreigner should acquiesce and accept the negative response; best results are achieved by calm insistence and a measured request for further efforts. But the cause is significantly furthered if the foreign negotiator understands the substantial difficulties faced by his Chinese counterpart.

What, then, are the major considerations for authorization of a project by Chinese local officials? Local hosts are held responsible for the health and safety of foreigners. This responsibility means making available

FIELDWORK IN CHINA

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Otto Schnepf, professor of chemistry, served as US science attaché in Beijing from 1980-1982. He is a member of the CSCPRC's Committee on Advanced Study in China, and one of his research interests is an investigation of American-trained Chinese scientists who have returned to China.

Cooperation between Chinese and American experts in various fields of science is very wide-ranging, and each particular area has its own characteristic methodology. For some investigations fieldwork is of great importance and may even be an indispensable component of research. This is especially true in the cases of seismology, botany, geology, and medicine, areas which can be significantly advanced by cooperative fieldwork because of unique conditions in the US and China.

Conducting fieldwork in China, however, is in many respects unlike carrying out field investigations in the US and other foreign countries. The reasons for this difference are many but for the most part may be attributed to the structure of the Chinese bureaucracy, the undeveloped nature of some rural areas where fieldwork

adequate transportation, emergency medical services, food on a level considerably above that acceptable for Chinese personnel (both in quality and hygiene), and accommodations, again at a high level by local Chinese standards. Besides these logistical issues, which very much concern the Chinese, are basic problems of finance in a Chinese-hosted project involving foreign field scientists. Some Americans who have participated in negotiations for fieldwork feel that financial problems concerning the question of who pays for what can be an issue. A local branch of an organization may often resist committing its budget to a project, and the central agency's foreign affairs bureau, which makes most of the arrangements, may have limited funds for cooperative activities.

Rural conditions and customs in China also serve as an important factor in fieldwork, an activity that often requires work in the countryside in areas remote from the larger population centers. On a per capita basis, China is a poor country with an average annual per capita income of about \$300. In spite of the recent spate of publicity on the peasants who are getting rich by means of various schemes allowed by the new policies, rural per capita income is still quoted as being below \$200. As a result, the economic gap alone between foreign investigators and the rural population is enormous, but added to that are large differences in culture and political systems. Foreign field scientists inevitably come into contact with the local population, which is likely to be far less informed about foreigners and about scientific work than people in the cities. Thus, far more attention must be paid to local customs and culture to ensure harmonious interaction, which is essential for success and for continued access.

In view of the considerations above, it is vital to the success of a fieldwork project that the Chinese host organization have a real scientific interest in it. This is where it behooves the foreign scientist to be pushing a project that the Chinese themselves have stated an interest in. Arguing in terms of general reciprocity in the larger scheme of things and pointing to the far superior numbers of Chinese scholars working in the US may be convincing to the official directly addressed, but the logic gets increasingly diluted as negotiations for project arrangements get passed down the line to the regional authority that has to give its consent and support. Ideally, the regional organization in the area to be investigated should be committed to the proposed research. If only the central agency supports the work, relatively high-level intervention is often necessary to obtain the regional authority's sanction (but may ultimately fail), and some tension may persist.

Some Guidelines

During the planning stage of a cooperative field project, it has been found most effective for the American side

to state its proposed substantive objectives and to let the Chinese side decide on the geographic areas and the personnel to be involved. It is often quite helpful to the Chinese host organization for the Americans familiar with Chinese scientists to submit a list of suggested participants, but it is important to the Chinese that the final selection of participating Chinese personnel be left to them. Personnel selection is obviously critical for success of a research study. It is probably impossible to achieve a perfect match in terms of professional level and interests, but great efforts are vital to get as close as possible within the above-mentioned limitations and constraints. Early exchange of biodata between foreign and Chinese scientists is very useful, but preparatory trips to China by project leaders for discussions with the prospective Chinese professional personnel are most effective. In the final analysis, there is no substitute for advance personal contact between participating scientists to optimize conditions for joint investigations. The expense involved is well justified.

Another point to keep in mind when selecting personnel (although it should by no means be the only criterion) is language ability. It is essential to ensure the participation of scientists on one or both sides who are fluent in the other side's language. Among Chinese technical personnel there are many excellent English speakers who can make the difference between success and failure of a joint venture, while professional interpreters without technical training are far less effective. On the American side, the availability of Chinese-American scientists in almost every field is a blessing to be utilized in team work.

Yet two more factors must be given special attention when negotiating for fieldwork in China. One is finances. It cannot be overemphasized how important it is to determine in detail and in advance which party is liable for which costs. It is often tempting to defer decision of some point until after the work has begun, but this procedure is very risky and may well result in serious tension, which may cast a cloud over the whole venture.

Similar points are applicable to the question of sample collection and removal from China for further study in home laboratories. It is important to determine most carefully which authority in China must give its consent. Customs regulations must be ascertained ahead of time. In many cases the customs authorities act on the advice and recommendations of professional organizations, but the former retain the power to make the final decision. As a result, the outcome is not always clear in advance unless agreements are made in writing. The Chinese host agency will usually check with other authorities before concluding such a written agreement. This checking may require a great deal of time, but the effort to have every aspect clearly defined is well worthwhile. Loose ends almost always come home to haunt project participants. It seems of interest to add that the bilateral

US-China protocols under the umbrella Science and Technology Agreement contain explicit clauses covering the exchange and transfer of specimens and samples. In general, it is probably valid to say that the Chinese are open to sample collection and removal if the specimens concerned already have been studied by their own experts. There is considerable sensitivity concerning the collection of plant and mineral specimens in the wild that Chinese scientists have not yet had the opportunity to explore.

Specific Experience to Date

Field research in seismology is a prime example of successful US-China bilateral cooperation. Much of the work has been carried out under an official earthquake studies protocol, whose signatories are the US Geological Survey and the National Science Foundation on the American side, and China's State Seismological Bureau. The State Seismological Bureau is an effective and well-funded organization with provincial and sub-provincial branches. Local authorities and organizations are deeply involved with the work and are highly motivated to promote the research. The US contributes instrumentation and methodology and is strongly motivated to participate in experiments in China, where conditions of high seismic activity make it possible to attain results much faster than in the US. (See report below.)

Another example of common interests contributing to successful field research is found in some areas of medicine. In this case, actual on-the-spot surveys are often made by Chinese personnel, but planning and analysis have been carried out jointly. Various fields of epidemiology as well as health care delivery have been fruitful subjects of investigation. One notable example is the survey of Shanghai County (see *CEN*, v. 11, n. 2, June 1983, pp. 6-7).

Geology and botany are subjects in which fieldwork experience appears mixed. Foreign groups have run into problems with the removal of samples of plants collected during organized field trips because the sanction of the proper authority had not been previously obtained. On the other hand, other botanical and geological investigations have been entirely successful. It is important to point out that the Chinese Academy of Sciences has been very careful to clear projects in advance with the responsible agencies.

The official US-China exchange program in agricultural science and technology is one of the most extensive and successful. Since 1979, 49 American teams have visited China, and an estimated 60 percent of these engaged in fieldwork and germplasm sample collection (see *CEN*, v. 11, n. 2, June 1983, pp. 11-12). Recently, a new approach has been developed and has been found to be successful in this program. Samples are collected in the unexplored wild but are investigated in Chinese laboratories with some American participation. This ap-

proach may well serve as a useful model for other similar projects to follow.

The oceanographic studies of the Changjiang (Yangzi) estuary took the form of joint cruises. In this case, some of the difficulties encountered could be traced to unclear funding arrangements, but these problems were resolved and the work completed to the satisfaction of both parties (see *CEN*, v. 11, n. 2, June 1983, pp. 9-10, and report below).

An interesting case to note is that of the studies carried out in connection with the joint US-PRC Management Training Center in Dalian in northeast China. Case studies of Chinese industrial enterprises were made by joint teams in advance of the first session of the Center, and two of the American professors on the teaching staff, William Fischer and Richard Holton, have conducted extensive interviews of the Chinese student graduates of the program, who are mostly practicing managers and administrators in industry and government. Very interesting and valuable information have been obtained by these studies and publications have resulted (see *CEN* cited above, pp. 12-14).

The above remarks and some illustrative examples of joint US-PRC cooperative science projects emphasizing fieldwork in China are not meant to be exhaustive or comprehensive. Below you will read detailed first-hand accounts of field studies in China by scientists in geology, seismology, forestry, medicine, and oceanography. My remarks are aimed at summarizing some of the experience gathered from the perspective of administration of the cooperative programs. In my personal experience there was nothing more gratifying to me than to observe the enthusiasm of the scientists on both sides of the cooperation program. This enthusiasm persisted no matter what the nature of the bilateral political relationship happened to be at the moment. It is our hope that this enthusiasm will continue with the promotion of scientific cooperation in both the US and China.

China's industry grew by an annual

5 OCTOBER 1989

The "Great Leap Forward"

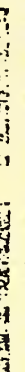
Abandoning the 8th Congress program-

Revolt in Tibet Widespread resistance to China's reassertion of control over Tibet had in turn led to Chinese reprisals and reinforced military presence. Mass demonstrations in Lhasa in March 1959 culminated in open rebellion, which was suppressed by Chinese troops. The Dalai Lama, Tibet's religious and secular leader prior to 1950 escaped to India.

People's communes: increase output.

Sino-Soviet Split
Under the Sino-Soviet treaty signed in 1950, Moscow had extended loans, technical assistance and sales of military equipment to China. In return, the Chinese had agreed to provide, which essentially built its governmental, industrial and military systems on the Soviet model. Nikita Khrushchev's denunciation of the treaty in 1960 and the subsequent administration speech in 1966 and the subsequent

Peking's fears were strengthened by Moscow's qualified support for China during the Taiwan Straits crisis of 1958. The following year, Khrushchev abrogated an agree-



Statistically, the communist party's development strategy did not do too badly even before the advent of the reformists. From 1952-79,

By the end of 1959, almost all of the rural population had been incorporated into the 25,000 people's communes. The communes were intended to swiftly increase agricultural output by imposing military-like organisation and labour discipline. The communes were also used to mobilise workers for immense labour-intensive projects such as dams and irrigation systems. Individual output targets were revised upwards sharply, and localities established many small "backyard" factories to produce steel and other goods.

1959 **Revolt in Tibet** Widespread resistance to China's reassertion of control over Tibet had in turn led to Chinese reprisals and reinforced military presence. Mass demonstrations in Lhasa in March 1959 culminated in open rebellion, which was suppressed by Chinese troops. The Dalai Lama, Tibet's religious and secular leader, fled to 1959 escaped to India.

At the same time, 1

1960 Under the Sino-Soviet Split

...the West underwrote the US over Taiwan, a contemptuous of the Soviet model of the Great Leap in the status within the C

People's communes increase output.





which entitles them to most of the benefits of urban hukou, without changing their peasant status. It is still difficult for a peasant to transfer his hukou to the city. Most young peasants aspire to city life. In Guangdong there are three legitimate ways open to peasants who want to make such a move: College education. Marriage to certain types of professionals such as doctors and en-

gineers. Using foreign exchange to buy a house in the city. Should a student qualify for college education, he will be able to get his hukou transferred to the city. Teaching colleges are preferred by poor peasants over other kinds mainly because food and lodgings there are fully subsidised by the state.

The de-collectivisation of agriculture in the 1980s with the advent of the contract responsibility system gives farmers more flexibility in growing for all with perhaps the exception of those who live in remote areas far from main transportation routes. Thus, regions on China's eastern seaboard tend to be wealthier than those inland because they are more accessible to coastal and international trade.

Even within the same province, the disparity can be enormous. A study conducted by the Shanghai government in 1987 equated the standard of living among peasants in northern Jiangsu to that of Japanese peasants in the 1950s while at the same time living standards of peasants in southern Jiangsu were said to be comparable to Japan in the 1980s.

Although official statistics are often regarded with scepticism - given the nature of the State Statistical Bureau's (SSB) data collecting method, the quality and reliability of which tend to deteriorate the further it gets to grassroots level where producers are often under pressure to meet official targets and so the temptation to fudge figures is great - nevertheless, they provide some interesting insights into trends.

Lure of the alibi: permission needed.

According to the SSB, by 1987, less than 1% of peasant households have a per capita net income of Rmb 100 and below compared with 33.3% in 1978, while 35.7% enjoyed a per capita net income of Rmb 300 and above in 1987 compared with only 2.4% in 1978. During the 1978-87 period, average net income per capita for peasants was estimated to have increased 246% to Rmb 461. However, savings, which reached a peak in 1984-85 had fallen sharply since, so that by 1987, the proportion of savings after deducting per capita living expenditure from net income per capita was back to the level of 1978.

SSB figures also show that peasants on the whole now eat and live better than they did 10 years ago. While the per capita consumption of grain has increased only slightly - at 5% in 1987 over 1978 - intake of meat, edible oil and eggs have risen by 100%, 139% and 181% respectively. In contrast, consumption of vegetables - the

40 YEARS OF CHINESE COMMUNISM

the US defeat and by Hanoi's growing ties to the Soviet Union, ruptured with Vietnam's invasion of Cambodia in late 1978. China initiated a punitive invasion of Vietnam in February 1979, only weeks after Deng Xiaoping's visit to Washington for normalisation of Sino-US relations. Chinese forces briefly captured four provincial capitals, with heavy losses, but failed to force Vietnam to withdraw from Cambodia.

1980-83 Leadership Changes and Economic Readjustment

Hua was removed from his top leadership posts in 1980, replaced by Deng Xiaoping as premier and Hu Yaobang as acting party chairman, while Deng Xiaoping took the post of chairman of the central committee. However, a far-reaching programme for political reforms to separate the party and state and establish checks and balances among key state and party institutions is blocked, and party conservatives launched a brief campaign against "bourgeois liberalism" in literature and art.

Economist Chen Yun sharply attacked Hua's ambitious economic policies, launching readjustment policies to cut investment in heavy industry and deficit spending.

Deng set forth new limits to political reform at a Politburo meeting in March 1979 in the form of the Four Basic Principles ("Upholding the socialist road, dictatorship of the proletariat, leadership of the Communist Party and Marxism-Leninism-Mao Zedong Thought"). Democracy Wall was closed and a number of democratic activists (the most prominent of whom was Wei Jingsheng) were arrested and tried. Many remain in detention.

1979 War with Vietnam

Relations, already strained by regional rivalries in the wake of the Sino-Vietnamese war, were further strained by regional rivalries in the wake of the Sino-Vietnamese war.

Democracy wall led to arrests.

Third Plenum of the 11th Central Committee. Contention between Deng and Hua centred on Deng's advocacy of thoroughgoing economic and educational reforms and his status as senior surviving victim of the Cultural Revolution vs Hua's increasing reliance on Maoist symbols and slogans to buttress his own authority.

1978-79 Democracy Wall

The successful reversal of the Tiananmen Square verdict encouraged new and more radical demands for political liberalisation and democracy. Activists presented official ideas in wall posters at Xidan Wall in Peking and in other cities as well as establishing new unofficial magazines.

Under pressure from other party leaders,

tional average. In Jiangsu, one of China's wealthiest provinces, for example, the official estimate for 1986 was 50% of the workforce were peasants - comprising only full-time farmers, and excluding those who work part or full time in rural industries.

The dwindling farming population at the expense of agricultural policy of pursuing industrialisation at the expense of agriculture. Ever since the 1950s, state investment in agriculture has been considerably less than investment in industry, and has fallen after reaching a peak in the mid-1960s-70s. In fact, bank investment in farming in the first quarter of this year has continued to fall despite exhortations from top leaders to shore up agriculture after the grain shortage crisis last year.

In recent years, especially, banks have made it easier for farmers to obtain loans for industrial enterprises than for farming purposes. This has led many peasants to leave their farms in favour of setting up rural processing industries or migrate to cities for work. Such mobility has been facilitated by a more liberal administration in the 1980s.

Before 1980, hukou (household registration) was strictly enforced - people were not encouraged to find work outside the area where they lived. Today, particularly in China's more open provinces, like Guangdong, identity cards are replacing hukou in importance. An identity card enables the holder to live and work temporarily in any area of his choice though his hukou will remain unchanged.

Owing to rapid industrialisation of coastal cities, labour has become scarce, making it necessary to employ people from rural areas. Peasants employed in cities, thus could receive temporary hukou,



ments or sections - enjoying special powers and privileges. Whereas before the economic liberalisation of the 1980s, the rewards of influence peddling were rather intangible, now by virtue of the cadres' power to approve or reject contracts, they - and their children - are in a position to make a lot of money. Many have abused their position - fuelling much public discontent - and have become wealthy. Some political analysts point out that many of today's bourgeois capitalists are children or relatives of former capitalists who had been condemned during the Maoist era.

Chinese leaders are reluctant to confront such new contradictions for fear that a critical analysis of the socialist bureaucracy would lead to an abolition of the system itself. Instead, they have found it easier to attribute public discontent, such as the ill-fated student demonstrations this year, to foreign bourgeois liberal influence.

Few people, especially in academic discussion, in China today speak in terms of classes, but of "strata." One Chinese official told the Reuters that since the socialist revolution has eliminated the propertied classes, the old class distinctions were no longer relevant.

So, has four decades of socialism improved the lot of China's biggest stratum - the peasantry? Indeed, the proportion of working peasants to overall workforce has steadily declined over the 40 years of communist rule - to an officially estimated 60% by 1987 - down by as much as 10% from 1978. The figure includes not only those involved in farming but also those working in forestry, animal husbandry, fishery and water conservancy - so that the actual percentage of land tillers would be even smaller.

In some coastal areas the peasantry has shrunk below the na-

by Mao who was by then seriously ill. The removal of wreaths memorialising Zhou in 1969, intensifying a debate over anti-radical demonstration in April. Deng was blamed for the riot and removed from posts as vice-premier and member of the politburo standing committee, retaining only his party membership.

Shortly after Mao's death in September, Hua arranged for the arrest of Mao's widow, Jiang Qing, and other key leftist leaders, later known as the Gang of Four, with the support of senior military leaders. Hua was named party chairman in October. Deng was restored to his posts in 1977.



Jiang Qing on trial.

mounting Soviet military threat heightened after border clashes along the Ussuri river in 1969, intensifying a debate over strategic realignment within the leadership. Lin Biao, while still defence minister, called for improving relations with the Soviet Union to counter US imperialism, while moderates led by Zhou, with increasing support from Mao, argued for cooperation with the US to check Soviet expansion in Asia.

The progressive weakening of Lin's position within the leadership and US moves to wind down its involvement in the Vietnam war facilitated the victory of the moderates, which culminated in US president Richard Nixon's visit to China and the signing of the Shanghai communiqué in February 1972. This fundamentally redefined the politico-military contours of East Asia and laid the basis for China's open door policies of the 1980s.

1976 Tiananmen riot and arrest of Gang of Four

Hua Guofeng became premier in February 1977 following Zhou's death, and radical elements in the leadership mounted a new attack on Deng, apparently supported



Lin Biao before the fall.

1971 after a failed coup d'état, prompted by his failure to secure his position as Mao's successor. Lin's death and Mao's progressive withdrawal from involvement in domestic affairs strengthened the position of moderates led by Zhou. Despite opposition from radical leftists, Zhou was able to engineer the gradual restoration of rational economic policies and rehabilitation of party officials purged during the Cultural Revolution, culminating with Deng who resumed his post as vice-premier in 1973.

1974 Reappraisal with the US

Chinese apprehensions about the



IDEOLOGY

Irony in Deng's 'hear the people' policy ideal

The events of May and June this year exposed enormous cleavages within China's ruling elite regarding the nature and future role of the communist party. Under the shared experience of victimisation by the Cultural Revolution, the Dengist coalition of reformers and anti-Maoist orthodoxes had endured for more than a decade. That coalition no longer exists.

The pro-democracy demonstrations and their violent suppression have irrevocably polarised China's leadership. It is impossible to foresee how these events will shape or constrain future political developments. Initially, however, the conservatives who were the victors in the internal party struggle have been forced into a defensive posture.

Premier Li Peng, President Yang Shangkun, Vice-Premier Yao Yilin and their backers among the retired senior party leaders, have adopted a narrow framework of political orthodoxy which adheres closely to traditional Leninist theories of political dictatorship. This will intensify the task of repairing the damage to the

40 YEARS OF CHINESE COMMUNISM

1987 Riots in Tibet

Smouldering discontent burst into violent rioting in Lhasa on 1 October. Six Tibetans and as many as four Chinese died in the incident, which grew out of a pro-independence demonstration by Tibetan Lamaist monks, which sparked new criticism of China by human-rights activists abroad. Continuing demonstrations and rioting in Tibet led to the declaration of martial law in Lhasa in 1989.

1987 13th Party Congress - Zhao

Conservative excesses during the campaign against bourgeois liberalisation and intrusions into the spheres of economics and cultural affairs ultimately backfired. Fearing a major reversal of reforms and intensified inter-party struggle, the party leadership strengthened its support for Zhao's efforts to limit the scope of the campaign. Deng reaffirmed support for the reform tide had been turned.

Deng, Chen, and Li Xuanlian stepped down from the politburo standing committee at the congress as originally planned. Zhao, who was confirmed as party general secretary, was joined on the committee by

acting premier Li Peng, Hu Qili, Qiao Guohua and Yao Yilin. Ultra-conservative ideologue Deng Liqun unexpectedly failed to win election to the central committee, and handling party propaganda chief Wang Renzhi only barely scraped in.

1988 Economic retrenchment, reformulate

Public concern over steeply rising inflation peaked in the summer of 1988 with public-buying in many major cities after the politburo tabled a resolution to begin comprehensive price reforms - allegedly personally sponsored by Deng. These reform plans were shelved and Li Peng and planning chief Yao Yilin enacted a sweeping programme of economic retrenchment. Zhao's position appeared weakened as Li and Yao move economic policies back towards Chen Yun-style central planning.

1989 Peking Massacre and Downfall of Zhao

Student protests after the death of former party general secretary Hu Yaobang in April quickly expanded into huge mass demonstrations in Peking's Tiananmen Square. Party and government officials openly participated in protests for democratic reforms,

action against official corruption, and called on Li Peng to resign and Deng to step down. More demonstrations erupted in other cities throughout China.

The party leadership was split between liberals headed by Zhao, who urged that concessions be made to the protesters, and hardliners, headed by Li and state president Yang Shangkun, backed by Deng.

The impasse was broken by the intervention of veteran retired and semi-retired party leaders including Chen Yun, Li Xuanlian, Peng Zhen and Wang Zhen. Li declared martial law in Peking on 20 May but demonstrators used trucks and buses to block key intersections on successive nights to keep PLA units from entering the city in force.

Troops supported by armoured vehicles finally forced their way into Peking on the night of 3 June, overcoming violent resistance by demonstrators who threw soda and Molotov cocktails, destroying hundreds of tanks, armoured personnel carriers, trucks and buses. Hundreds of demonstrators and onlookers, and dozens of soldiers were killed. But Kingmen and Yan Mingyu were removed from the party secretaryship. Jiang Zemin replaced Zhao as party general secretary. Jiang, Li Xuanlian and Song Ping were named to the politburo standing committee.



Young Idealist Mao and Deng.

party's prestige and international reputation. It also limits the party's ability to respond creatively to the political crises that lie ahead after Deng's death.

The strength of the liberals, bores in May, extended to the very top of the party's formal power structure, including two of the five-member politburo standing committee - former general secretary Zhao Ziyang and Hu Qili. The fact that the impasse was ultimately resolved only by the intervention of the elder party veterans suggests there was also substantial liberal support within the politburo and the central committee as well as other central party organs.

The liberals represented a spectrum of opinion, but shared a commitment to continuing economic reforms, relaxing ideological sanc-

on. Liquor consumption, such as meat, edible oil, eggs and so colored food has increased, as in the rural areas, has also increased sharply.

Living conditions in urban areas if measured in terms of space is considerably smaller than in rural areas at an average 8.47 m² in 1987 compared with 18.64 m² in the village - though it has expanded by 66% when compared with 1961.

In terms of occupations, geologists and surveyors command the highest wage, followed by construction workers. The lowest paid appear to be those in agriculture, forestry, animal husbandry and water conservancy, followed by those in commerce, catering and marketing. The sea, however, has yet to produce comparative data on entrepreneurs' incomes which are likely to be several times more than salaried workers.

Based on sea figures and other sources, Chinese farm workers in 1987, with an average wage of Rmb 97 a month in nominal terms, was only about 70% more than what he was getting before 1949. The factory worker in 1987 was roughly estimated to be earning 146% more than he was counterpoint before the revolution. While such figures provide an interesting glimpse into an aspect of life, they may not necessarily be a true reflection of actual living conditions - for example, food subsidies, job and housing security and other state subsidies have become widely available only after 1949.

In general, apart from cadres, and, perhaps, factory workers, few groups of people have continuously benefited from socialist rule. The general peasantry enjoyed a few good years in the early to mid-50s helped by land reform but suffered famine during the Great Leap Forward, which obliterated earlier gains. Intellectuals and professionals were victimised during the Cultural Revolution and it was only with the advent of Deng Xiaoping's economic reforms did they have a better life.

But high inflation in the late 1980s has affected everyone, more so those in fixed income brackets, living in urban areas.



Farm workers little improvement in pay.

poor man's dish - actually declined 8%. Meat tending of all, perhaps, the 39% increase in liquor consumption in 1987 compared with 10 years ago. Living space per person, meanwhile, has expanded by about 66% over the period.

Improvements in urban living standards, by comparison, were less dramatic. The annual income per capita of an urban household in 1987 was only 100% better than it was in 1978 though at Rmb 916 it was much more than the peasant income. The urban to rural gap in personal consumption is still in the ratio of 2.5:1. In 1987, which was about the same as the 1952 score of 2.4:1, indicating that urban-rural disparity has not narrowed.

For the urban resident, there was somewhat more income left over after deducting living expenses. Per capita consumption of staples, such as grain and vegetables, has actually declined over the 1981-87 period, according to sea figures, while intake of higher-

1983 Campaign Against Spiritual Pollution

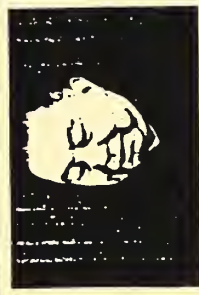
Orthodox Marxists among Deng's political allies including Chen Yun, Deng Liqun, and Wang Zhen spearheaded campaign to contain cultural influences from the West and to criticize journalists and theoreticians who had begun to explore concepts of alienation and Marxist humanism.

1984 Agreement on Future of Hong Kong

A Sino-British agreement signed in September 1984 provided for Hong Kong to become a special administrative region of China after 1997, continuing as a capitalist enclave and theoretically autonomous except in matters of foreign relations and defence for 50 years.

1985 National Party Conference

Tensions within Deng's coalition of reformers and veteran pre-Cultural Revolution leaders emerged at an extraordinary National Party Conference. It endorsed continuing reforms, but Chen Yun stated his reservations about excessive reliance on market forces, corruption, and relaxation of the party's political and ideological work.



Huai replaced by Deng allies.

economic reforms

12th Congress and the early

Rural reforms restoring the production team and eventually the family household as the basic agricultural production unit were pioneered in the late 1970s in Sichuan under Zhao and in Anhui under Wan Li.

The 12th Party Congress in September 1982 named Hu as party general secretary (abolishing the post of party chairman) and approved new reform policies including industrial decollectivisation, more autonomy for industrial enterprises, expansion of private enterprise and introduction of free urban markets.

1987 Downfall of Hu Yaobang and campaign against "bourgeois liberalisation"

Massive pro-democracy student demonstrations in Shanghai, Peking and other cities elicited a strong conservative backlash. Hu was forced to resign from his post as party general secretary, replaced by Zhao, and veteran leaders including Chen, Peng Zhen, and Wang Zhen asserted their authority by launching a new ideological campaign targeted against liberal intellectuals in the party.



Hu Yaobang fell from grace.

tures and party controls over intellectual life, and allowing a degree of political pluralism. The most radical (some of whom are now in exile) believed that Leninist-style party rule was no longer viable and contemplated a Pash-style evolution to genuine multi-party politics.

Zhao "pondered to the political tastes of a bunch of people who wanted freedom, democracy, and human rights," a pseudonymous critic wrote in the *Guangming Daily* on 25 August. "He traduced and negated the fine traditions of the party's ideological work [by] setting the display of respect, understanding and concern for people against the use of advanced ideology to educate, mould and arm them."

In response to the liberal challenge of May, the conservatives have reimposed tight controls on the press and begun a purge of Zhao supporters and participants in the May demonstrations. The party's fine traditions of ideological work have been restored in the form of "criticism-self criticism" sessions and political indoctrination classes.

Party leaders have also attempted to link what they officially regard as a "counter-revolutionary rebellion" to "hostile Western bourgeois forces [who] have never given up their attempt to subvert the socialist system [and] have always primed their hope for peaceful evolution on our third and fourth generations," according to Qiao Guh, a member of the politburo standing committee. "Our struggle against imperialism's reactionary strategy to effect peaceful evolution in China and against bourgeois liberalisation will be a protracted one."

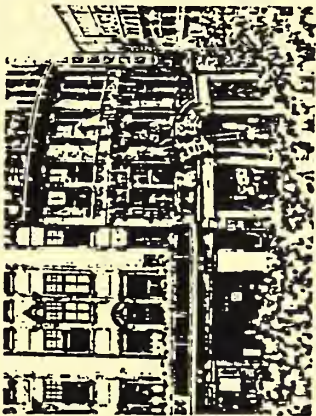
The conservatives also broadly agree that economic reforms should be limited to relatively minor adjustments that do not significantly alter the systems of state ownership and central planning. China's reforms "are aimed at perfecting the socialist system... not changing the socialist system itself," Li Peng explained to Czech visitors on 9 September. "It is wrong to think that China's reforms [mean] practising a full market economy and developing in the direction of private ownership."

Both the liberalising tendency exemplified by Zhao and the orthodox of Li have deep roots in the turbulent history of the party. The student demonstrators explicitly evoked the memory of the May Fourth Movement of 1919, which was the archetypal example of a spontaneous patriotic mass movement, uniting intellectuals and common citizens, demanding democratic reforms and assailing an incompetent and autocratic government.

The communist party was born in the spirit of patriotic commitment and rejection of the status quo that came into being with the May Fourth Movement. It still finds its own raison d'être not primarily in terms of Marxism-Leninism, but rather as an historical mechanism fulfilling the task of national salvation posed by the May Fourth generation. The tension between liberal or, to use party jargon, bourgeois tendencies, vs the need to maintain Leninist principles and revolutionary ideals has surfaced repeatedly in the party's history.

Both Mao Zedong and Deng accepted that it was necessary to use bourgeois themes and values in propaganda and united front tactics as a means of appealing to the masses. Recognising the inherent risk that party members might become confused about ultimate goals, however, they set forth the task of maintaining the party's own revolutionary commitment and ideals as the primary function of ideological work.

Mao's 1942 Rectification Movement pioneered what has become



Cultural Revolution left party unstable.

the party's classic response to this problem. Its purpose was to impose party discipline on writers, intellectuals and educated cadres in Yan'an who retained "bourgeois" May Fourth-style ideas regarding the autonomous role of intellectuals in society and the real goals of the revolution. This campaign introduced the techniques of "criticism-self criticism," mass meetings and group study sessions which have been the hallmark of communist ideological movements in China ever since.

Fifteen years later, following the conclusion of the controversial initial phase of rural collectivisation and socialisation of urban industrial production, Mao initiated the 1957 "Hundred Flowers Movement," a conscious effort to relax ideological control over intellectuals and encourage open criticism and debate, in the belief that 15 years of nearly continuous rectification and indoctrination had genuinely won the loyalty of intellectuals to the party and socialism — a belief that was not shared by Liu Shaoqi or Deng.

The "Hundred Flowers Movement" rapidly escalated into direct attacks upon the party and demands for the abolition of one-party rule and competitive elections, and like their successors in 1989, university students became the focus of the movement. The Anti-Rightist Campaign which followed ultimately signalled nearly half a million people.

The specific ideological tensions arising within the leadership in the 1980s must be understood in light of the extraordinary and unstable situation the party faced after the Cultural Revolution.

In the wake of 4 June, many commentators have again come to see Deng as a consistent opponent of political reform, presenting him as a leader combining surprising flexibility in economic affairs with rigidly orthodox Leninist politics. The present leadership, not surprisingly, strongly espouses this view, and has filled endless pages in the official press with reprints of speeches by Deng which support it.

The difficulty with this analysis is explaining how it is that the two men now held primarily responsible for encouraging "bourgeois liberalisation" — Hu Yaobang and Zhao — were both protégés of Deng and his backing.

Deng's actual position on this question is extremely complex. He is an orthodox Leninist, but at the same time he was the initiator and primary motivating force behind the entire gamut of political reforms now associated with Hu and Zhao.

The broad thrust of Deng's political reform platform was first stated in his keynote speech to the 3rd Plenum in 1978. In that speech, Deng explicitly attacked over-concentration of power in the hands of the party, its tendency to "monopolise and interfere in everything." He accused the party of bureaucraticism which "... masquerading as 'Party leadership' ... Party interests and 'Party discipline' is actually designed to control people, hold them in check and oppress them." Deng condemned Mao's discredited former successor, Lin Biao, and the "Gang of Four" for setting up "ideological taboos or 'forbidden zones'" and "launching political attacks against anyone who went beyond the limits they prescribed."

Deng assailed the party's failure to practise democracy, ironically in the light of later events, dismissed the danger that malcontents might take advantage of the democracy to make trouble. "One thing a revolutionary party must worry about is its inability to hear the voice of the people."

To solve these problems, Deng insisted that "democracy must be

institutionalised and written into law, so as to make sure that institutions and law do not change whenever the leadership changes, or whenever the leaders change their views...."

Almost two years later, Deng introduced specific political reforms in a speech at an enlarged politburo meeting, held in August 1980, in which he proposed to create a functional division in the powers of the party and state; establish an independent judiciary; end the system of lifetime tenure for cadres; expose incompetent and corrupt leaders to public criticism, impeachment and recall; and gradually introduce — within limits — elections for leaders in grassroots level organisations.

These points have effectively defined the liberal programme for political reform for nearly a decade. None of the proposals put forward by Zhao at the 1987 13th Congress, for example, goes beyond those first outlined in Deng's speeches of 1978 and 1980. In certain respects, such as establishing checks and balances among government and party institutions, moreover, Zhao's programme was even less ambitious than Deng's.

Resistance to Deng's proposals among the more orthodox members of his political coalition continues to this day. But at a deeper level, the 1980 reforms were impossible to implement because they implicitly contradict the Leninist principles which the party, and Deng, had long ago internalised.

The Democracy Wall Movement, which Deng publicly endorsed in late 1978, created an immediate challenge to his liberalising impulse. In the same manner as the

"Hundred Flowers Movement" two decades before, sanctioned criticism of "Gang of Four-style Leninism" and Deng's political opponents quickly escalated into radical attacks upon the party, widespread protests by workers and students, and Wei Jingshen's demands for the "Fifth Modernisation" — genuine political democracy.

Under fire within the party leadership, Deng quickly backedtracked. Late Mao 20 years earlier, Deng found it necessary to impose explicit limits on dissent. The "Four Basic Principles" which Deng set forth at a theoretical forum in March 1979 ("Keep to the socialist road, and uphold the dictatorship of the proletariat; leadership of the Communist Party, and Marxism-Leninism-Mao Zedong Thought") essentially reiterated the "six criteria" on dissent introduced by Mao in June 1957 when the "Hundred Flowers" similarly got out of hand.

Since 1979, Deng's basic principles have been the cornerstone of conservatives' efforts to limit economic and political reforms, serving as the basis for repeated ideological campaigns against "spiritual pollution" in 1983, and against "bourgeois liberalism" in 1986, again in 1987, and today. As a result, reforms have been constrained to the interstices of the four principles, creating and exploiting semantic ambiguities of the attempt to redefine the meaning of the irreplacable words: "socialism," "proletarian dictatorship," "party leadership" and "Marxism."

It would be easy to conclude that the "democracy" and "emancipation" espoused by Deng are purely cynical and void, but they are not.

Deng, it appears, saw clearly how close the excesses of Maoism had brought the party to forfeiting the party's mandate to rule. The reforms he proposed were a genuine and courageous effort to re-nourish the system's worst defects and abuses. It is impossible to over-estimate how much China's material and political culture have fundamentally changed since the days of Mao, or how much Deng's pos-



Democracy Wall led to Deng retreat.

bical and economic reforms, even if they have ultimately proved qualified and fatally flawed, contributed to that change.

Deng needed to do more than simply remedy defects. To reclaim the party's mandate, he needed to fill the void of what has been called "the mythology of the Cultural Revolution" with something new, to replace the Marxist vision with his own. Instead of a communist society in our time, Deng offered the vision of a modernised China in the next century — a China that was strong, economically advanced and — by Deng's lights — politically democratic. The problem was that Deng's democracy and emancipation were simply unreal.

Deng sincerely believes, as he said in introducing the "Four Basic Principles," that "socialism and socialism alone can save China." He believes in Lenin's dicta that the communist movement cannot survive without the leadership of the party and proletarian dictatorship. He believes that during that 60 years since 1919, "no political party other than the Communist Party of China has succeeded in integrating itself with the masses of working people as described by Lenin." These beliefs lead quite straightforwardly to the illusion that it is possible to have freedom without dissent, democracy without opposition, political participation without pluralism.

Within this framework, any movement which endangers the party's ultimate power — as the pro-democracy demonstrators this spring clearly did — is automatically perceived as a threat to everything the party believes it has achieved, and to the future of China itself. This in turn provides Deng and his colleagues with ready-made rationalisations assuring them that their violent suppression of the movement was not a narrow defence of their own interests and privileges, but necessary and justified.

The sense of betrayal when the people violate the party's unilateral imposed compact appears as genuinely shocking to Deng in 1989 as it was to Mao in 1957. Commentators may in some respects overstate the importance of the past 10 years. Twenty and even 10 years ago, the party's claim that the intellectual demonstrators were a small, privileged minority was not wholly indefensible. But skepticism about socialism and rejection of the party's right to rule has now become general in society and penetrated even to the highest reaches of the party leadership.

China's universities, the party has not failed to note, regularly breed a new crop of rebels. "Antagonistic forces and those who stubbornly cling to bourgeois liberal values are doing their utmost to win the younger generation away from us," warned Song Ping, the party's organisation department head who was recently promoted to the politburo standing committee.

The current effort to tighten political control, restore traditional techniques of ideological indoctrination and purge dissidents within the party or force them to recant are unlikely to do anything other than further broaden and intensify hostility and resentment — for the same reasons that Deng himself pointed out more than 10 years ago. If there was any lesson to be learned from the tragedy of Tiananmen in June, it is that Deng's four basic principles remain eternally true only to a very small group of very tired old men.

The broader tragedy is that the current leadership's effort to block "peaceful evolution" may succeed well enough to ensure that violent change becomes unavoidable. Before that time comes, the party may yet heed Deng's prophetic warning in 1978: "One thing a revolutionary party must worry about is its inability to hear the voice of the people. What is to be feared most is silence."

Robert Bates

The old men still the power behind the scene

"It was the first time in several years that we old octogenarians sat down together to discuss matters of the central authorities. [Deng Xiaoping, Chen Yun, Peng Zhen, Deng Yingchao, Old Wang [Zhen] all agreed there is no road of retreat. To retreat now would mean we would fall from power. It would mean the overthrow of the People's Republic of China, and the restoration of capitalism. This is what the American Dulles wanted all along. After the passage of several generations, our socialism would become freedom-ism."

President Yang Shangkun, speaking at an enlarged meeting of the Central Military Commission (CMC) on 24 May 1989.

Supreme power within the Chinese Communist Party is theoretically vested in the central committee politburo and its standing committee. Operating behind this titular leadership, however, lies a deeper layer of authority, consisting of less than a dozen elderly party leaders, most ostensibly retired.

With the exception of Deng, who remains head of the party CMC, none of these veteran leaders has held any official party post since 1987 other than sitting on the central advisory commis-

sion, which in theory has no power other than to give advice on request.

In no other significant country in the world does a generation of leaders who came to maturity before World War II wield as much power as in China. These survivors of the founding revolutionary generation, all now in their 80s, remain the party's ultimate arbiters and real decision-makers.

However informal, theirs is the ultimate authority. Internal party documents leaked during the struggles of last May and June — such as the speech by Yang Shangkun quoted above — leave no doubt that it was this group, not the party politburo, which decided to impose martial law in Peking and oust Zhao Ziyang as party general secretary. Three years ago, these same senior leaders were the real force behind the decision to remove Zhao's predecessor, Hu Yaobang.

The conservative elders' influence had appeared to begin to erode in the past few years as they finally retired from their last official party roles and new leaders in their 60s and 70s came to the fore.

There was never doubt that some of the founding generation of communist revolutionaries bitterly objected to many of the radical reforms supported by younger liberal party leaders. The conservatives succeeded in moderating the pace and extent of reform policies, especially political reform, insisted on at least formal adherence to core Leninist principles enshrined as the "Four Basic Principles," and managed to place younger leaders whom they believed would represent their views in top party and state positions.

But they had not been able decisively to turn back the reforms or check the tidal changes in China's social and intellectual climate under way in the 1980s — changes which threatened to make these men and all that they stood for irrelevant. Many people, both inside and outside China, believed that the pending crisis of generational transition would be peacefully resolved.

Five year (1983-87) along Socialist lines and oversaw the economic reconstruction after Mao's disastrous 1959 Great Leap Forward, which Chen had opposed.

Chen allied with Deng against Hua and his leftist supporters during Mao's death, rejoining the politburo and later becoming head of the party's disciplinary inspection commission.

By the mid-1980s, however, Chen had become the most important critic of radical economic reforms and political liberalisation within the senior leadership, and publicly announced his resignation in an extraordinary speech at the 1985 national party conference. Naming Li Peng and Yao Yilin to the politburo standing committee was purportedly Chen's price for stepping down at the 13th Congress in 1987.

He remains chairman of the Central Advisory Commission. The ailing Chen is no longer physically active but remains extremely important behind the scenes.

PENG ZHEN, Deng's elder by two years, had been a party labour organiser and served time in a short jail while still in his 20s. As mayor of Peking in the 1950s and a close ally of Liu Shaoqi, he was the first high-ranking party official to become a victim of the Cultural Revolution.

Rehabilitated in 1979, Peng rejoined the politburo and later headed the party's political-legal commission, overseeing security affairs. As chairman of the National People's Congress standing committee from 1983, Peng used China's parliament as a base for opposing and diluting radical political reforms. He stepped down from all posts in 1987.

WANG ZHEN, was born in 1908. Like Peng, of poor peasant ori-



Deng Xiaoping: the great survivor.

China's old guard forcefully reasserted its authority during the Peking crisis in May-June. Now that they are back in the saddle, those old men are engaged in a fervent effort to restore order and for all time China's commitment to the vision they once dedicated their own youthful lives — Socialist socialism circa the mid-1950s.

Deng Xiaoping rose to become Mao's real successor and China's pre-eminent leader in the late 1970s as the head of a complex political coalition of victims of the Cultural Revolution which endured for a

generation he joined the party when he was a railway worker. Wang lost his first wife to a short execution squad during the 1957-58 Tenth of 1927 — only two weeks after their marriage. A Long March veteran, Wang distinguished himself as a military leader during the Japanese and civil wars, and is today the head of the original 1st Field Army system, commanding a vast network of loyal protégés throughout Northwest China.

A Cultural Revolution survivor, Wang first proposed to Mao that Deng be rehabilitated in 1973. He served in the central military commission from 1979-82.

Now deputy head of state and one of Deng's bridge partners, Wang is the most xenophobic of the veteran leaders and the most severe critic of cultural contamination from the West. Wang launched a harsh personal attack on Su Xuekang's iconoclastic television series *He Sheng* in 1988. He stepped down from his party posts in 1985.

BO YIBO, born in 1908, was a student activist in the 1930s and became involved in party in military and political affairs in Shun in the 1940s. After 1949 he served as a vice-premier and worked in financial and economic affairs as an assistant to Chen.

Purged in 1966, Bo was rehabilitated in 1978 and appointed a vice-premier the following year but was never a politburo member. In 1987, Bo joined with Peng, Chen and Wang to demand the removal of Hu and the launching of a campaign against bourgeois liberalism.

YANG SHANGKUN, born in 1907, is China's head of state, but more importantly he is also permanent vice-chairman of the Central Military Commission (CMC). The patriarch of an emerging party-military dynasty (his younger brother, Yang Baobang is dis-

decade. From its inception, that coalition was divided into two distinct camps representing differing and ultimately contradictory tendencies.

Those now termed reformists were willing to modify the socialist system as necessary in order to achieve the larger goal of modernising China and catching up with the rest of the world, and were ultimately led by the internal logic of that process to question whether socialism itself remains valid or useful.

The other and more politically potent half of that coalition, however, remained dedicated to the ideal of a Socialist orthodoxy. They had personally been key players in the attempt to realise Socialist socialism in China during the 1950s and 1960s, an effort whose failure they attributed almost solely to Mao's disastrous leftward excursions in the Great Leap Forward and the Cultural Revolution.

The exponents of the post-Cultural Revolution recovery and their shared experience of victimisation by the Marxist Left made it possible for these two political camps to coexist for almost a decade. Deng himself was the crucial bridge between these two camps, a function not unrelated to the contradictions in his own politics and personality.

In a broader sense, it is the substance of that coalition that finally broke down in June — and Deng's balancing role with it. The fundamental cause can be seen as the ever-widening divergence between the Stalinist values of the veteran revolutionaries and the evolving ever more radical requisites of economic and political modernisation.

■ Robert Delle

rector of the PLA general political department. Yang would like to succeed Deng as CMC chairman.

A Long March veteran, Yang was trained in the Soviet Union, returning to China as one of the 28 Bolsheviks in 1931. Director of the political department of the 1st Red Army in 1932, Yang was sidelined to running a drama troupe during the war with Japan, but later oversaw the party central committee's general office from 1945 until the Cultural Revolution.

Rehabilitated in 1978, Yang held party and civil posts in Guangdong before joining the CMC in 1981, and was a politburo member from 1982-87. He and Premier Li Peng took the lead in organising opposition to Zhao Ziyang's conciliatory line during the May student demonstrations and pushing through the decision to impose martial law in Peking.

LI XIANNIAN, born in 1909, is now chairman of the Chinese People's Political Consultative Conference, a former state president and politburo standing committee member. He is a Long March veteran and former wartime deputy commander of the 4th Field Army.

Named vice-premier and minister of finance in 1954, Li was a politburo member from 1956 through 1987, and a member of the standing committee from 1977-87. He remained politically active during the Cultural Revolution, cooperated with Zhou Enlai to maintain a minimally functional state bureaucracy. He became the regime's top economic planner in the 1970s, supporting Deng in his struggle against the Leftists but also cooperating with Hua after Zhou's death and Deng's second purge.

Li and Chen were rivals for the job of chief economic czar in the late 1970s and early 1980s but have since cooperated as central planning loyalists and critics of reform.

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